



JPRS Report—

DISTRIBUTION STATEMENT A

Approved for public release
Distribution Unlimied

East Europe

19980202 082

DTIC QUALITY INSPECTED 3

REPRODUCED BY
U.S. DEPARTMENT OF COMMERCE
NATIONAL TECHNICAL
INFORMATION SERVICE
SPRINGFIELD, VA 22161

East Europe

JPRS-EER-91-152

CONTENTS

10 October 1991

HUNGARY

County Legislative Chairmen Profiles Analyzed	<i>[FIGYELO 12 Sep]</i>	1
Justice for Yugoslavia Threatens Martyrdom	<i>[MAGYAR NEMZET 23 Sep]</i>	2
Public Employees Protest State Budget	<i>[NEPSZABADSAG 12 Sep]</i>	3

POLAND

Mazowiecki on Working With Walesa, Party Politics	<i>[Paris LE MONDE 20 Sep]</i>	5
Parliamentary Election Campaign Evaluated	<i>[Paris LE MONDE 20 Sep]</i>	5
Overview of German Minority Population, History	<i>[GAZETA WYBORCZA 21 Sep]</i>	7

ROMANIA

Draft Constitution Articles Explained, Defended	<i>[BARICADA 17 Sep]</i>	20
Bankers Queried on Transition to Market Economy	<i>[CURIERUL NATIONAL 21 Aug]</i>	22

YUGOSLAVIA

Strategic Importance of Damaged Sisak Steel Factory	<i>[GLOBUS 13 Sep]</i>	27
Long-Term Solution for Economic System Functioning	<i>[EKONOMSKA POLITIKA 16 Sep]</i>	28
Data on Federal Budget Deficit Reported	<i>[BORBA 24 Sep]</i>	29

County Legislative Chairmen Profiles Analyzed

*92CH0052A Budapest FIGYELO in Hungarian
12 Sep 91 p 7*

[Article by Zoltan Agg: "Who Became County Chairmen?"]

[Text] "You are the country!" Thus the president of the country greeted the chairmen of the county general assemblies. They were amused by Arpad Goncz's statement at the Lengyeltoti meeting. The president of the Republic then looked at those present: "...I was serious about this; after all, the country consists of counties and you represent the counties!"

Within Hungary's electoral system, the elections of the chairmen of the several county general assemblies are tied to the most stringent rules. The affirmative vote of a two-thirds majority of county legislators cast in secret ballots is required in each county for the election of both the chairman and the vice chairman. No other public office has been conditioned by such great margin of support. It is possible that the framers of the law that required this high ratio of affirmative votes wanted county general assemblymen to join together and observe fitness and competence, rather than partisan considerations in electing these officials.

Characteristics of Chairmen

The general characteristics of county chairmen are as follows: All are males; there is not a single female chairman; female vice chairmen were elected in only two counties, notably in Borsod-Abauj-Zemplen and Heves.

Most (13 out of 19) county chairmen are between the ages of 40 and 50.

Insofar as their occupations are concerned, they are economists or other professionals also holding a degree in economics, and to a lesser extent lawyers.

In their previous assignments county chairmen served at least as heads of specialized administrative offices, and most worked in the financial or economic field. (Sure enough, the former financial leaders were accused of saving the county's money to have something to show in the election campaign. In reality, however, financial division chiefs had always been thrifty; the charge stood up only because by 1990 it was possible to contradict political leaders who wanted to spend money.)

From the standpoint of belonging to political parties, the county chairmen are independent party outsiders. (Only four chairmen are members of any party.)

In general, they were elected at the first or second meeting of the respective general assemblies (after several rounds of balloting) and won the confidence of the general assembly in December 1990. (The Bacs-Kiskun County chairman was first to be elected, while the Nograd County chairman's post was filled last.)

Exceptions

Only one county chairman is under the age of 40. He is from Veszprem and is 38 years old. Five county chairmen are older than 50; at the age of 58 the Tolna County chairman is the oldest. Thus the average age of the chairmen exceeds 48 years. (The vice chairmen are somewhat younger, their average age is 44.5 years.)

In addition to economists and lawyers, a landscape engineer (Zala), a specialized biologist (Fejer), engineers (Gyor-Moson-Sopron and Komarom-Esztergom—the latter is also an economist), an artist (Nograd) and a teacher (Hajdu-Bihar) also became county chairmen.

From among previous county council chairmen the leaders of Borsod-Abauj-Zemplen, Csongrad, and Somogy counties had been elected chairmen of county general assemblies, and in Hajdu-Bihar County the former county council social deputy chairman became the chairman. The former council executive committee secretaries were in charge of the elections and were elected as chairmen in Heves and Vas counties. In Veszprem County the former county executive committee secretary became a division director at the Ministry of the Interior, and the acting executive committee secretary was elected chairman. (Doubtless, they were the best known candidates who appeared to be fit, but this familiarity also served as a disadvantage in the view of county general assembly members who aimed for a renewal of the system.)

As mentioned before, only four county chairmen in the country belong to political parties. Not all parties seated in parliament were able to nominate candidates for county chairmen, and the distribution of power in the counties is totally different from that in parliament. In Borsod County, for instance, the former council chairman running on the Hungarian Socialist Party [MSZP] ticket, who was also elected to serve as a representative in parliament, won the race for county chairman, while in Bekes County the former scientific division director of the Hungarian Academy of Science, Regional Research Center, became the chairman. The Nograd County chairman ran as an Alliance of Free Democrats [SZDSZ] candidate and won his seat after a long struggle as his own party's second choice. (Before him, the SZDSZ candidate for the county chairman's post was a National Assembly representative elected on the county slate known for his anticounty sentiments. After several ballots he was unable to turn around a few votes and thus failed to win the approval of a two-thirds majority.) The Pest County chairman (previously an entrepreneur) was elected as a Christian Democrat. Not a single chairman or vice chairman running as a Hungarian Democratic Forum [MDF] candidate had been elected by the county general assemblies.

Only in Bekes, Nograd, Pest, and Zala counties did the general assemblies elect persons from outside the existing staff, while in Gyor County a former city technical division director became the elected county

chairman. In Pest and Györ-Moson-Sopron counties the present chairmen won races against the favored former financial division directors. (The financial division directors became TAKISZ [expansion unknown] directors, in Pest County this took place with a detour through the vice chairman's post.)

Vice Chairmen

At present the vice chairmen's posts in Fejér, Pest, and Vas counties are vacant. Some counties elected former vice chairmen who were made independent, while several other counties elected former vice chairmen charged with social functions. In Veszprem County two vice chairmen were elected, both entitled to receive honoraria only. (The county commissioner in the region registered his objection to the fact that the law spoke of vice chairmen only in the singular, and thus the election of two vice chairmen might not be consistent with law. He objected only in a statement to the press. The county commissioner also expressed concern about the fact that one of the vice chairmen also served as the mayor of the City of Pápa, and questioned whether the simultaneous performance of both functions was too much.)

Békés is the "most partisan county" because not only the county chairman, but also the vice chairman are party members. Two of these belong to the Smallholders Party [FKgP] and one to the SZDSZ. The largest partisan group of vice chairmen belongs to the MSZP (Csongrád, Somogy, Tolna, and Zala counties), while the SZDSZ provided county vice chairmen in Baranya and Békés, and the Federation of Young Democrats [FIDESZ] in Veszprem.

The number of university graduates is not so overwhelming among the vice chairmen. (All except one chairman are university graduates; several of them hold two diplomas.) One of the vice chairmen in Békés County and the vice chairmen of Jász-Nagykun-Szolnok and Zala counties hold degrees from higher educational institutions, while the Tolna County vice chairman has completed only a specialized intermediate school.

The number of vice chairmen who previously served in staff positions is smaller than among chairmen and include an attorney, an entrepreneur, a chief physician, a limited liability corporate president, an AFESZ [General Consumer and Marketing Cooperative] deputy chairman, a district physician, a museum director, a high school teacher and principal, and even a quarantine supervisor.

From former county staffs, economic and planning division chiefs, in addition to organizational and legal division chiefs, became elected officials, and even deputy division directors and leading employees acquired such posts.

Against Salvaging

The election system for county general assemblies clearly favored the municipalities, nurturing suspicions that the

ruling coalition wanted to establish power bases in the various counties. The coalition parties, and especially the FKgP, thought that they were strong in the municipalities but had failed to consider the extent to which small settlements would vote against the parties and the number of former municipal council chairmen who would be elected mayors. Thus in the framework of some county general assembly meetings the ruling parties' sole aim was to prevent the people of the old system from salvaging their power.

In Veszprem the MDF organized general assembly members sympathetic to the coalition against the acting executive committee secretary, (who, in turn, was deemed fit, moreover best suited to head the office of the county commissioner by the equally MDF member former interior minister.) In Veszprem County the FKgP members of the general assembly switched their votes to support the previous organizational and legal division chief who embodied professional competence and practical knowledge about public administration, and who, for the same reason, was also chosen by the former state party to fill this post. (In the second round of balloting the required two-thirds majority fell short by only two votes, and these votes were provided by two FKgP representatives after they got fed up with the unsuccessful ballots.)

In the aftermath of the elections each county general assembly chairman clearly represents the interests of his county as a whole and not of his party or supporters. By providing that counties would not receive any kind of additional central support funds, the cause of the old adversity between counties has also ceased. The chairmen of the county general assemblies work in an exemplary spirit of unity in representing the regional interests of the several counties, whose exact role has yet to be clarified.

Justice for Yugoslavia Threatens Martyrdom

92P20020A Budapest MAGYAR NEMZET
in Hungarian 23 Sep 91 p 4

[“Excerpts” from an anonymous letter to the editor: “Justice for the People of Yugoslavia”: They Threaten With Self-Immolation”]

[Text] A letter with quite a strange tone and content was sent to our editorial office by representatives of a movement called “Justice for the People of Yugoslavia” that was founded on 11 September. Neither the name nor the address of the sender were included on the envelope.

“Our movement is inspired by the outrage we feel because of the atrocities taking place in Croatia and because of the indifference shown by European politicians, and it is motivated by our solidarity with our suffering fellow human beings,” the proclamation states, among other things.

“The Iraqi example is just the most recent proof that expansionist, aggressive political action is insensitive to

moral arguments. The appetite and unscrupulousness of Serbian extremism can only grow if they are not met by firm international opposition," the movement's spokesmen insisted.

"The victors of the two World Wars sit by and watch the destruction of flowering cities, the expulsion of hundreds of thousands from their homes, and atrocities reminiscent of the Middle Ages, rather than admit that the creation of Yugoslavia was a mistake," they claim. "Their wait-and-see attitude is resulting in massacres and in having the Serbian boot come down even harder on the backs of all the smaller ethnic groups. It is clear that the Yugoslav Federal Army is unquestionably serving the interests of Greater Serbia, while it is trying to hide its sins with lying and demagogic propaganda."

"In our opinion Serbia and the army controlled by it can only be curbed by immediate, effective action." The proclamation also calls for "economic sanctions and the creation of an international court to investigate the crimes against humanity committed in Croatia and to convict the criminals involved."

Finally, they close with the following: "Our movement is small but determined. If the apathy of the world cannot be converted into a feeling of solidarity by other means, several of our members are ready to become live torches. If the authorities prevent public self-immolation, we will consider kamikaze actions."

Unfortunately, we were not able to contact Janos Bodracska, the Budapest chief of police appointed just last Thursday, to ask his opinion about the ominous letter. However, we did have a chance to talk over the phone to several highly placed police officers of the Budapest Police Department. One of the colonels voiced the opinion—though unofficially—that you cannot find out from the letter why the drafters of the proclamation thought that self-immolation and kamikaze action would be the best expressions of their protest. Furthermore, it is not clear from the text what their aims are and at whom they are directing their anger, since, he reasoned, it seems somewhat irrational to react to destruction with destruction. We also cannot gather from the content whose safety they are threatening besides their own. To our question as to how seriously police experts take such threats announced in advance, we received the answer that they are prepared for any eventuality and will contact the fire department and emergency services, in case such a public demonstration—which promises to be a "public spectacle"—does take place against all reason, to be ready to save at least the persons directly involved.

Public Employees Protest State Budget

92CH0052B Budapest NEPSZABADSAG in Hungarian
12 Sep 91 p 8

[Article by Miklos Merenyi: "State Household—Without Reform: Public Employees Protest"]

[Text] Those who work at institutions funded by the state budget hold out as long as they are physically able

to; nevertheless, they reject the state household budget as is. It is worthless as a reform measure, and cynical if it was meant to provide funding for the operations of the state household because it resolves nothing, according to representatives of the Cooperative Forum of Trade Unions [SZEFT] who do not rule out the possibility of organizing a joint demonstration protesting the matter.

"Governmental responsibility cannot be avoided by having the financial staff perform the government's functions," Janos Vadasz declared. He serves as the national secretary of SZEFT, an umbrella organization for public employee trade unions. Vadasz added that it would hardly be worthwhile to deal with technical issues related to financing in the absence of a strategy for state household reform, even if the rationale of such issues cannot be disputed. In reality, however, no further cuts can be made in this sphere because the state household already is at the verge of becoming incapable of functioning. In the past, freedom in managing these funds provided a kind of flexibility that enabled leaders to perform the functions at whatever level that was possible. "Everyone is aware, of course, that when a hospital performs dry cleaning or car repair functions to obtain some revenues, it performs functions that are alien to its profile, but this must be done if there are no funds to buy disposable hypodermic syringes," according to Judit Gulyas, Health Care Workers Democratic Trade Union national secretary.

The fact that some people dare include in next year's proposed budget a 5-percent "material automatism" is stunning, because this year's 10-percent automatic increase resulted in a net reduction of funds available to institutions, SZEFT leaders added. This measure will permanently distort the functioning of these institutions, and on top, the spirit of old times will also return, with ministers having jurisdiction "receiving" certain funds which they "distribute" based on some standards, rather than providing funds to the various institutions based on the functions they must perform, the persons involved complained.

SZEFT managing director on duty Endre Szabo said that considering the many unknown factors, he was able to understand why the government had been unable to develop a long-term strategy. This, however, should not make it impossible to temporarily resolve the fate of budgeted institutions. To accomplish that, state functions which have always existed, continue to exist and will exist should be clearly defined. This could be accomplished in a relatively simple way: national defense, internal security, and the exercise of state power in the narrow sense of that term clearly constitute such functions. Equally simple is the definition of the extent to which the state must withdraw from areas in which it obviously can no longer play its former role, but in regard to which society is still divided. One thing is certain: In this sphere the state must play a role at least until the large distribution systems are able to stand on

their own feet. Neither the educational, nor the health care, nor the cultural systems should be left to their own overnight.

And finally, the fields that are capable of performing well in the market sphere should also be clearly defined. For this reason SZEf finds it necessary to include a temporary listing of various areas in the state household budget law showing the extent to which the state agrees to accept financial obligations.

This was the more necessary because a further tightening of financial constraints would not only render the functioning of these institutions impossible, but would also lead to serious distortions.

"We are aware that the government is in a difficult situation, and that in making decisions the government must also consider recommendations made by international financial organizations," according to Mrs. Istvan

Szollosi, Educators' Trade Union executive secretary. "All this, however, must not mean predestined determinism [as published]. The last word must come from the Hungarian Government and from the National Assembly." For this reason the Educators' Trade Union intends to appeal to the Human Rights Committee of the National Assembly regarding plans to privatize education, because in their view, a broad proliferation of such privatization would violate provisions concerning the freedom of education as contained in the Constitution and in international agreements. "They are forcing us to confront the government with these facts on the street," the president of the Educators' Trade Association said. "Forcing this sphere under market conditions without allowing any time for transition violates the elementary rights of both parents and children, as pointed out by Hungarian National Bank President Gyorgy Suranyi at a meeting held in Baja. This, too, will exert an effect like any other column of numbers does."

Mazowiecki on Working With Walesa, Party Politics

92EP0024B Paris *LE MONDE* in French 20 Sep 91 p 5

[Interview with former Prime Minister Tadeusz Mazowiecki by Sylvie Kauffmann; place and date not given: "An Interview With Mazowiecki"—first paragraph is *LE MONDE* introduction]

[Text] A close adviser to Lech Walesa in Solidarity who became East Europe's first noncommunist head of government in 1989, Tadeusz Mazowiecki was Walesa's unsuccessful opponent in the presidential election last fall. That campaign made the divisions within Solidarity final. Now a candidate on behalf of his party, the Democratic Union, in the legislative elections of 27 October, he here analyzes for *LE MONDE* the current situation in Poland.

[Kauffmann] Do you think that the Sejm resulting from these elections will be fragmented?

[Mazowiecki] Yes. That phenomenon existed in your country as well before the regrouping into large parties. What it means here is that the only solution after the elections will be to form a coalition government capable of continuing the program of transformations without moving backward while also being able to make corrections. Obviously, the first group that comes to mind for leading that coalition is the post-Solidarity group. But for that to come about, the election campaign must be kept from destroying the possibilities for cooperation.

[Kauffmann] Is it possible to imagine, for example, a coalition government consisting of the Democratic Union and the Liberal Democratic Congress (Prime Minister Bielecki's party)?

[Mazowiecki] From the standpoint of programs, it is possible. But Bielecki's recent attacks on my previous government complicate things. We have always played fair, while he is playing electoral games.

[Kauffmann] However that may be, is the Democratic Union prepared to govern with President Walesa?

[Mazowiecki] Yes. My meeting with Lech Walesa on 26 August was significant in that respect.

[Kauffmann] Do you regard as justified the criticisms made of Walesa following the putsch in Moscow—in which he was criticized for the weakness of his reactions and for Poland's Eastern policy?

[Mazowiecki] Absolutely not; those are demagogic attacks. As if Poland were such a great power that it could have influenced events! I am very happy that Lech Walesa and I had that contact at the time, because it was abnormal for us not to be in contact with each other for eight months. It's the sign of a certain degree of normalization and, I hope, of an easing of our personal relations.

[Kauffmann] The architect of economic "shock therapy," Vice Prime Minister Leszek Balcerowicz, is again being challenged in this campaign. Do you think he will survive the elections?

[Mazowiecki] He is in fact under serious attack, and I do not want to join in those attacks. His plan against inflation and for stabilization has played a very important role, and his own obstinacy has had indispensable effects on our economy. But that policy lacks flexibility when it comes to making corrections, especially in the fight against recession. Our position is that the first step has been taken, and it was painful and difficult; now it is time to take the second step, and that is our program.

Our economic difficulties have been made worse by the problem of association with the EEC and the collapse of the market in the East. We consider it very important that our public opinion see association with the EEC as a political and economic fact. As for the market in the East, the "triangular" idea of Western financing for our exports to the Soviet Union is a good one. But those plans are meeting with a very slow response, while the events in the USSR ought to have resulted in immediate action. Perhaps the shock of that three-day putsch was too brief.

Parliamentary Election Campaign Evaluated

92EP0024A Paris *LE MONDE* in French 20 Sep 91
pp 1, 5

[Article by Sylvie Kauffmann: "Poland in an Election Campaign"]

[Text] Warsaw—"Giving the government extra keys to an empty cupboard"—that was how one Polish deputy last week described the request for special economic powers that was submitted to parliament by Prime Minister Jan Krzysztof Bielecki (Liberal Democratic Congress).

His request was obviously rejected by a parliament [Sejm] inherited from the former regime. Bielecki was hoping to use those special powers to circumvent the parliament's procedural blockades and get certain priority economic laws approved.

His failure is no doubt only one more twist in the arm-wrestling contest that has been going on for months between the democratically elected Polish Government and an obsolete parliament. After all, this parliament is only going to last six more weeks, since parliamentary elections will be held on 27 October. There is something more serious: The state's coffers are empty, the dazzling "shock therapy" designed by Leszek Balcerowicz with the support of the IMF and U.S. experts to move Poland into the market economy is going through a perilous phase, and the election campaign, which will take place against a background of economic recession, promises to be stormy.

The Poles were pioneers in the area of postcommunist economic reforms—so much so that President Gorbachev devoted an entire interview with Balcerowicz in Moscow to that subject—and now they are paying for their boldness. Not without courage, they were the first to jump into the water in 1989. The worldwide economic situation (reflecting the consequences of the Gulf war, the collapse of the Soviet economy, and West European hesitations) has complicated their task terribly, even though the free world seemed to be supporting them so warmly—before. Today, without regretting a single moment of the path chosen, Polish leaders are all finding that the social cost of reforms carried out at such a pace is very high. It is true that Warsaw has been transformed: The lines in the stores have disappeared, there are tempting window displays, the streets are full of Western automobiles, and privately owned neighborhood grocery stores are fully stocked—all, of course, with prices to match.

Arriving from the East is a stampede of poorly clothed Soviet nationals who engage in petty trading and work at odd jobs for wages three times lower than Polish wages—but payable in zlotys, which are freely convertible to dollars. Here the black market in foreign exchange no longer exists. On the surface, the law of capitalism is functioning very well.

Things are more complex in the provinces. The peasants (40 percent of the population) cannot reconcile themselves to the idea that their excessively small farms will have to go out of existence. Entire factories are actually bankrupt, but no one is putting them into liquidation. The economists complain: "The public sector is not keeping up with the needs of the market." But who foresaw that closing down the truck factory in Starachowice would mean laying off that entire town of 70,000 inhabitants, which was built around the factory by socialism? Is it possible to lay off a town? No. Or, as the young Minister of Ownership Transformation Janusz Lewandowski (Liberal Democratic Congress) says: "Starachowice would be transformed into a barricade against capitalism." Minister of Labor Michal Boni, also young and a member of the Liberal Democratic Congress, reports that there are 1,854,000 unemployed (10 percent of the active population) and predicts 17 percent for next year, "like in Spain." But where will he find the money for compensating all those unemployed people? The government now admits: "The economic pace must be adapted to the political and social pace."

Strengthen the Executive Branch?

The fact is that forcing the political pace is just as difficult. Barring a dramatic turn of events, the future Sejm will be the exact image of the current political situation: fragmented and split into 20 or so parliamentary groups. One adviser to President Walesa observes that after a period of being under pressure, the young Polish democracy is entering a "period of explosion," as is evidenced by the registration of more than 100 political parties, 65 of which have candidates running in the

elections on 27 October. President Walesa is not overly worried by that teeming pluralism: "We have to go through it," he says. "Don't forget that we are moving into democracy much more quickly than the Western countries did. All those parties will eventually group together." But meanwhile, in a democracy that is getting carried away with itself and a country that is changing rapidly, a stable apparatus of power is needed to prevent a dysfunctional state. That is why the people around the chief of state are again bringing up the question of strengthening the executive branch by moving in the direction of a real presidential system.

The spokesman for the Office of the President, Andrzej Drzycimski, argues that in fact, "everyone agrees on the need to strengthen the executive branch, but when it comes to increasing Lech Walesa's power, everyone loses interest, as though he himself constituted a threat to democracy. But the fact is that during 10 months in office, he has proven the opposite." Minister Lewandowski more or less shares that view: "I have known Walesa for a long time," he says. "He is not careful with his words, but he is with his actions. With us, he turned out to be less interventionist than we feared."

Aware of the great dangers of instability, Lech Walesa has in fact prepared the ground for being able to govern with the next legislature. His first objective: to present the image of a president above the parties. He has therefore distanced himself from the political movements that helped him win last year's presidential election: the Center Alliance and the civic committees. So much so, in fact, that some of their leaders are somewhat bitter about it.

A reliable source at the Belvedere hints that the famous twins Lech and Jaroslaw Kaczynski—the pet peeves of Mazowiecki's supporters—are no longer in favor and will probably have to leave the presidential staff immediately after the elections under the pretext of "depoliticizing" the president's organization.

Walesa has recently been showing more consideration for Prime Minister Bielecki's Liberal Democratic Congress and the Democratic Union, former Prime Minister Mazowiecki's party. The putsch in Moscow gave Walesa the opportunity to renew contacts with Mazowiecki (see the interview [published in preceding article]) and heal the wounds from the presidential election.

Based on the Polish president's attitude, one can guess at a second objective, which is to strengthen his relations with the various components of the post-Solidarity camp so that he can use them to form a coalition government and, above all, a possible parliamentary majority.

If he wants to continue his "heavy-construction" undertaking in Poland in the face of the rejection front consisting of the "post-Communists"—who have been rechristened Social Democrats—and all those who, like Stan Tyminski's Party X, are finding it easy to exploit the social frustration, he is certainly going to need them.

Overview of German Minority Population, History
92EP0012A Warsaw GAZETA WYBORCZA in Polish
21 Sep 91 pp 10-14

[Article by Włodzimierz Kalicki: "The Closet Germans: A Holiday Issue Report on the German Minority in Poland"]

[Text] The sudden emergence into sunlight of the German minority in Poland in 1989, the participation of its representative in the run-off elections to the Senate, and lastly the successes of the German lists in the elections to local governments in Opole Silesia were a shock to Poles. The general ignorance about that minority and the attendant prejudices were consequences of the previous falsification of the past and present of modern Poland by the successive communist governments. The existence of the German minority in Poland had been officially denied, and it was said to have arisen only during the Second Republic [1919-39] as Hitler's partner, and therefore it was supposedly deported in its entirety to Germany after the war.

"The German Minority" National Electoral Committee of the German Minority, with offices in Opole, will sponsor in the coming elections 58 candidates for the Sejm and one candidate for the Senate. In the Opole electoral district 50,528 voters supported "The German Minority," so that, on 26 August, it became the first grouping in the country to be certified by the State Electoral Commission for registering its lists in all the electoral districts. At present "The German Minority" is to stand for elections in nine electoral districts: Opole, Gliwice, Katowice, Częstochowa, Wrocław, Szczecin, Warsaw, Przemysł-Krosno, and Nowy Sącz. Its candidate for the Senate is campaigning from Opole.

Since Piast Kolodziej's Times

Postwar propaganda presented Polish-German relations as a millennium-old struggle of our nation against the armed German eastward thrust. The contests between the Piast dynasty and the Holy Roman Empire, the wars against the Teutonic Knights, and the Partitions were to obscure the inconvenient truth about the also peaceful, creative, and friendly presence of Germans on our land.

In ancient Europe civilization, culture, and people migrated from the west toward the east, from France via Germany, Poland, and Lithuania as far as Moscow. Ever since the times of the first Piasts Germans showed up in our country and remained as monastics, officials, and settlers. Historical records of the importation of settlers from Germany date as far back as to 1175 A.D. In the Middle Ages Poland was inundated by a surge of emigrants from the West: new villages and towns were based on German law, and the newcomers took over municipal rule. After the mid-13th century the patriciate in a substantial majority of Polish towns spoke only German. Suffice it to mention the names of the Cracovian royal scribes, patricians, and burghers in the late 15th century: Krzysztof Rebentz, Jan Heydeke, Jerzy Thurzo, Jakub

Bothmer, Jan Klethner, Blazej Bernsdorff, Jan Sommerfeld.... In Cracov the German language ceased to be used in the courts of law only as late as 1600.

The Peace of Torun resulted in the incorporation of East Prussia, inhabited to a large extent by German-speakers, in the Polish state. In the 16th century every 10th inhabitant of the Polish Commonwealth spoke German (besides, many historians believe that this estimate is too low).

The beginning of the conflict between Poland and the Teutonic knights coincided with another severe crisis, this time a domestic one, in the country's struggle against the German invasion.... "The German residents mutinied against the Unifier of Polish Lands King Władysław Lokietek," Józef Feldman wrote immediately after World War II. Many other historians, too, preferred to view the German-speaking minority in ancient Poland as a kind of primordial Fifth Column. This is a greatly exaggerated and ahistorical view. Over the centuries the Polish Germans caused many troubles to our rulers, to be sure. Suffice it to mention the German settlers who helped Brandenburg to conquer Gdańsk in 1271; the rebellious Cracov patricians; the ever-mutinous Gdańsk, which hanged the sailors of King Sigismund Augustus and warred against King Sobieski; or the German nobility in Courland, which welcomed the Swedish invasion of Poland. But on the other hand, German sailors under Gdańsk flags inflicted a decisive defeat on the fleet of the Teutonic knights in the Battle of Zulawki, and German-speaking soldiers fought in every Polish campaign. And they fought pretty well. The Saxony-born Polish Colonel Henryk Rossman commanded Zamosc Fortress during the November Uprising [in 1830, against tsarist Russia]. In the 1920 war [against Soviet Russia] Maciej Kuhnke, son of a Prussian merchant, and Stanisław Minter, grandson of a Prussian official, were decorated with the Order of Virtuti Militari. The brother of Minter's grandfather, the Polish Colonel Wilhelm Minter, was adjutant to Prince Poniatowski and chevalier of the Gold Cross of Virtuti Militari.

And what about those disloyal burghers and the Courland nobility? In those times, when nationalism was unknown, they simply defended their own interests and it is really difficult to determine what language was spoken by those subjects of Polish kings who had caused ancient Poland the most harm. Of a certainty, the Germans—along with the French, the Italians, the Scots, the Dutchmen, and the Czechs—contributed to Poland technological and organizational progress, capital, and fragments of their culture, which enriched Polish culture. If the settlement of Germans in the Polish kingdom did not result in a rapid growth of the proportion of German-speakers in the population, especially in the countryside, that was because the newcomers became rapidly Polonized. The German-speakers and the Polonized Germans, whose names alone testified to their roots, together contributed to creating Polish culture. Suffice it to mention a number of publishers, starting with the first

Cracov printers: Hochfeder, Haller, Ungler, Szarfenberg, and ending with Mitzler de Koloff and the Anczyics (formerly von Anschuetz, from Saxony). On recently being awarded an honorary doctorate by Torun University, Countess Marion Doenhoff recalled that Copernicus, who interrupted his work on the revolutions of celestial spheres in order to defend Polish Olsztyn against the Teutonic knights, had German parents, and that General Jan Henryk Dabrowski not only had German parents but, during pauses in between the fight for the Polish cause, wrote poetry in German. Few people are aware that the quartermaster general of the Legions and Dabrowski's right-hand man was Colonel Pfluegbeil, who derived from Saxony. The 16th-century grammarian Volckmar, the 17th-century creator of the Polish-German-French Dictionary Trotz, Kolberg, Jan Krystian Schuch, whom Warsaw owes the design of the Na Rozdrozu, Redeemer, and Lublin Union squares, the Borchs, Leitgeber... the list of lofty figures in our history who could have considered themselves German but felt themselves to be Poles, or at least loyal subjects of the Polish kings, is long and thought-provoking.

That was not, incidentally, a one-sided phenomenon. Leibnitz and Nietzsche harked to their Polish roots, and German heraldry books name more than 1,000 families deriving from the Polish nobility.

In the distant past the scales of wrongs and peaceful coexistence were not balanced. On Polish land the Germans had created much more than they could at the time destroy.

A Member of the Household Becomes an Enemy

The awakening of nationalisms in post-Napoleonic Europe resulted in perceiving German-speaking neighbors as aliens, in Poland. And the Germanization drive in Prussia resulted in viewing those aliens as enemies. But even in those years, too, the local German minorities could not be considered some coeval German Fifth Column. Their conduct varied: The Bambergers, for example, that is, the descendants of German settlers from Bamberg living in the environs of Poznan, actively protested against the government's Germanization drive.

The boundaries of the Second Republic right after World War I contained nearly 2 million Germans. Those settlers who had previously been given land by the Prussian colonization commissions, as well as officials, the military, and all those whose anti-Polish stance prompted them to fear retaliation in the regenerated Polish state, had left for Germany. In the years 1919-22 from 250,000 to 730,000 Germans, according to varying estimates, departed Poland's western borderlands. More would have left had not it been for the policy of the Berlin authorities which, fearful of the disappearance of the German minority in Poland, impeded the arrival of their compatriots.

The exact numbers of the German minority in interwar Poland are unknown. The estimates vary from 1.2 to 1.5

million. In one way or another, Germans accounted for about 4 percent of the population of the Second Republic. They lived chiefly in Pomerania, Wielkopolska, and Silesia. Their communities existed in Warsaw and Lodz, and in Volhynia, where 42 localities inhabited almost exclusively by German colonists were counted.

In Wielkopolska and Pomerania 80 percent of the German minority were linked to farming. In those voivodships the Germans owned more than one-fourth of all land. In some counties, e.g., Szubin or Wyrzyce, the German population was definitely in the majority. But this does not change the fact that in those voivodships the proportion of all the national minorities taken together was the lowest for Poland as a whole.

In Silesia, next to farmers, German workers (and unemployed) were most numerous. On the other hand, their compatriots owned 90 percent of large and medium-sized enterprises in that region.

The prewar German minority was extremely differentiated, consisting of blue-collar workers, farmers, merchants, landowners, bankers, and manufacturers. It also included German-speaking Jews, who were numerous in Wielkopolska and who definitely preferred the German state and voted for the same candidates as the Germans. Every 10th representative of the minority had a higher educational background, which in the Poland of that time was an extremely high proportion.

Were the Polish Germans [of interwar Poland] loyal to the Polish state? A majority, especially in the western borderlands, desired the return of the German state to those territories but scrupulously obeyed Polish laws. The Germans did not start an irredentist movement, but they did copy Polish methods of struggle against the 19th-century Prussian Germanization drive by consistently availing themselves of the rights belonging to them under Polish law and pertinaciously expanding the economic scope of their ownership as well as the scope of their—extremely good, besides—school system.

In this they could always count on foreign support. A Berlin-financed foundation, Deutsche Stiftung, provided them with sizable subsidies, chiefly under the cover of semi-gratis credit extended by Dutch banks. As a consequence the influence exercised by German government circles among the minority was always considerable. However, Berlin never succeeded in making of it an obedient tool. The nationalist organization in western Poland (Volksbund [Ethnic Union]) and in the central voivodships (Volksverband [Ethnic Association]) had no monopoly on the hearts and minds of the German minority. The political life of that minority was variegated. Until September 1939 the anti-Hitler Catholic Party and the Social Democrats had remained influential among that minority. "Despite the undoubtedly economic advantages associated with the pro-Hitler orientation, there existed known instances of the resignation of Germans from the Landbund and their joining the Polish farmer organizations. Similarly, in 1936 several

German cooperatives in Grudziadz County joined an audit association of Polish cooperatives," states Prof. Jerzy Tomaszewski.

But even the nationalistically and fascistically minded Germans were not as terrible as was customary to believe in the aftermath of World War II. When after June 1939 Voivode Bocianski decided to resolutely counteract infiltration by Hitlerite agents, only two instances of diversionary activity were recorded in the entire Wielkopolska.

Although for the most part it was ill-disposed or hostile toward Poland, the German minority had not been a factor destabilizing the Second Republic politically. Neither its political parties nor the several senators and 15 or so deputies representing it exercised any marked influence on the course of political affairs. Besides, all the troubles associated with it in reality ensued from the weakness of the Polish state—principally economic weakness.

Germans Out!

"Whoever said that the Teutons are brothers to us Sarmatians, I shall break all his bones in front of the Lutheran Church," to quote from a poem written by Adolf Nowaczynski before the war. After the war the credo of that Endek [member of the prewar National Democrats, a nationalist party] became the national credo. No one actually believed that the era of the [Auschwitz] furnaces could be superseded by an era of peaceful coexistence with, as the saying went, the nation of criminals. No one had to be forced to attend mass rallies of hatred against Germany. Crying, "Not a single German to remain in Poland," the public was in total agreement with the Potsdam decisions of the big powers. At Potsdam the victorious Allies, in awarding to Poland the territories east of the Odra and Lusatian Nysa, decided at the same time that their entire German population would be resettled westward. Before the war these territories were inhabited by more than 3.5 million Germans, but in May 1945 only a fraction of that number had remained there. Owing to their fear of the Russians, hundreds of thousands left their homes in the winter of 1944-45. During their panicky flight many thousands died of frost, bombings, and under the treads of German and Soviet tanks. Quite a few lost their lives during the sieges of the larger cities, especially Wroclaw.

Following the German capitulation the refugees returned en masse to their homes. Some 400,000 returned to Silesia (more than a million according to Western estimates). Most of the refugees returned to the territories lying on the left bank of the Kłodzka Nysa, because the Germans had commonly thought that it and not the Lusatian Nysa was to be the border. In Szczecin the return of the refugees, and even the influx of Germans from Mecklenburg, who were outsiders so far as Szczecin was concerned, was organized by German communists attempting to retain the city within German boundaries. Four-and-a-half thousand persons were ferried each day

on barks from Ruegen and Stralsund, until a total of more than 70,000 was reached.

Following the capitulation of the Reich only a small proportion of Germans traveled in the other direction. Polish troops began almost immediately to expel Germans from the border strip. In 1945 these troops deported Germans from the environs of Poland's frontier with Germany and Czechoslovakia. Almost as many Germans had left voluntarily, and in the larger cities—Wroclaw, Zielona Gora, and Szczecin—the Germans themselves also organized their own transportation abroad.

The official deportation drive under the auspices of the great powers and according to the plans of the Allied Control Council began in the winter of 1946. From the very outset it was unrealistically conceived. It assumed that within two winter months about 2 million persons would be deported to the Soviet zone of occupation and about 1.5 million to the British. Although in reality many fewer Germans were then living in Poland, their deportation could not be accomplished until the end of 1947. During the subsequent two years the westward transports became less and less frequent. The frontier was crossed monthly not by tens of thousands but by thousands of deportees.

After 1950 the policy of the authorities toward Germans changed in the direction of keeping them in this country. The door was slammed shut to Germans.

But Not Everybody

Many Germans did not leave after 1945 because they were waiting for news from lost relatives taking care of their sick and old relatives, or guarding property. But tens of thousands of other Germans were afforded no opportunity to leave because Soviet troops detained many of them on the landed estates they were administering across the entire Recovered Territories in Poland. Until the 1950's the Soviets often refused to disclose to the Polish authorities data on the numbers of these Germans and the related personal records. Several thousand Germans were kept by the Russians until the mid-1950's in their occupied enclaves in the harbor and shipyard of Szczecin as well as in its Russian-controlled Niebuszewo Borough.

On the Recovered Territories the Polish authorities were unable to cope with rebuilding and activating the local infrastructure and industries. The Poles repatriated there from the east, mainly farmers, were unfamiliar with German engineering and organization of labor. Skilled repatriates from the West and miners from France and Belgium were discouraged by the fatal conditions in, e.g., the mines of Walbrzych, and they fled to Silesia and central Poland. Immediately after the war, therefore, the authorities exempted from deportation German experts and skilled employees of Walbrzych mines and coking plants, Lower Silesian metal, power, and chemical plants, and state farms throughout the Recovered Territories. They were granted so-called

reclaim cards protecting the wearer and his family from deportation and his home and property from confiscation. In practice there was no appeal from these decisions—the Germans with reclaim cards became simply forced laborers. Contrary to the directives from the top, the local officialdom readily added to the official reclaim lists the names of the Germans whom they found simply useful. That was how German bakers, tailors, dairymen, sewage-plant workers, and even stage managers for the Wrocław theater remained in Poland.

Toward the end of 1947 there were 65,400 "Reclaim Germans," as they had then been called, and their families. Together with the families of sick persons and German orphans who, under the official scenario, were to leave Poland toward the end of the deportation drive, they remained in this country for at least 10 more years.

Walbrzych

"Walbrzych in 1946 was a real Tower of Babel," reminisced Hartmut Felkel, a Walbrzych inhabitant and German from times immemorial. Early that year the Poles deported to Germany first of all the relatively scanty German intelligentsia of that city. The downtown-area housing vacated by that intelligentsia, the best in the city, became occupied by Poles repatriated from the Soviet Union. Other housing that was not as good became occupied by Poles repatriated from France. In August there appeared Polish Jews who had survived the war by living in the USSR. The quarter they lived in was soon nicknamed Palestine by the Walbrzichians. The worker boroughs were inhabited by Germans.

"For years the atmosphere of the old German Waldenburg survived there. In the downtown area, however, Polish, German, Yiddish, French, and Russian languages could be heard spoken," said Felkel. "The authorities had prohibited inscriptions in languages other than Polish, and so people communicated by gestures on streets and in stores. There were no conflicts. The terrified Germans tried to make way for the Poles on the streets. The Jews and 'Frenchmen' remained rather self-absorbed. The Jews opened a theater and, in my apartment building, on first floor, one of their several schools, also in Yiddish. The Poles were not belligerent toward us Germans. The Poles expatriated from Russia often sympathized with us."

In 1947, after the deportation drive ended, Walbrzych had a population of 106,000 of whom every fifth inhabitant was a "reclaim German." The Jews had left and the "Frenchmen" began to speak Polish and ceased to be noticed on the streets. Only the Germans continued to speak German. As early as in 1946 the authorities organized Polish-language courses for German skilled workers—none of the older ones was familiar with that language. German children were exempt from the obligation of learning and, owing to the lack of schools, formed gangs wandering through courtyards and mine dumps.

The authorities systematically subjected the Germans to chicaneries. No I.D. cards were issued to them; instead they had to carry labor passes. Pensioners and annuitants were not paid the monies due them for work in prewar Germany, and they were resettled to slum housing.

Skilled mine and coking-plant workers were allowed to retain their jobs, but in lower-ranking posts. The others, especially tradespeople and artisans, were fired from their jobs. Hartmut Felkel's mother, formerly a civil servant, became a waitress, and then she was fired from that job, too; her boss spread his arms in a gesture of helplessness, having received a telephone call about her. Ultimately she found a job unloading coal at a coking plant. His grandfather was fired from a coal mine and, after half a year of looking for work, he became a night guard on a construction site, at half-pay. Jobless German women were hired as maids for pitiful pay, and many Polish workers could afford maids and nannies. This upset the authorities, given their preoccupation with the class struggle, and they officially decided to classify the maids employed by Poles in the priority category of deportees along with former Nazi party members and the German intelligentsia.

Speaking in German was prohibited in public areas. Thus, the Protestant churches became a substitute for normal national life. Inside these churches it was possible to listen to prayer in one's native language (nearly all the pastors did not leave for Germany), gossip, and sing. For this reason the Catholics, who accounted for one-third of the German community, began to attend prayers in Protestant churches, too.

The Thaw

The attitude of the Polish authorities to the officially recognized Germans in the Recovered Territories improved somewhat in 1950. The Ministry of Education began to organize German-language preschools and elementary schools. In 1953, 137 such schools already existed, teaching more than 7,500 children in their native language. In addition, German-language basic mining schools were established in Walbrzych and Boguszow, along with academic high schools in Walbrzych and Ślupsk and a teacher training institute in Świdnica.

Textbooks, books, and the press were at first imported from the GDR. Since 1954, however, textbooks published in Poland (altogether 130,000 copies) were exclusively used. The situation with teachers was not as good: There were many willing applicants from farms and factories, but only a dozen or so professional teachers could be found, and of the remaining applicants only every fourth person had an at least secondary educational background. Every fifth teacher in the German-language schools was a Pole—he had to both teach and keep an eye on the pupils and his colleagues.

In 1951 the authorities started the local German-language press. The newspaper WIR BAUEN AUF [We

Are Building] began to be issued for Walbrzych miners, while the Olsztyn farm workers received DER PGR ARBEITER [State Farm Worker], a bimonthly German-language supplement to the party GLOS KOSZALINSKI. The periodical for the entire minority was the Wroclaw sociopolitical weekly ARBEITERSTIMME [Voice of the Workers]. All these periodicals were edited by Poles, who also wrote articles for them; they were propaganda projects. As for the Germans themselves, in the early 1950's they organized an authentic cultural movement (though funded by the Ministry of Culture and trade unions). In 1952 the Freundschaft (Friendship) Song and Dance Folklore Ensemble was formed in Walbrzych. German miners in Walbrzych organized a semiprofessional symphonic orchestra, and in Wroclaw arose Allotria, a professional performing troupe. Nearly 100 amateur choruses, additional folklore ensembles, and theatrical companies were established in the 1950s. When in 1956 the Ministry of Culture organized an all-Poland German festival of amateur artistic ensembles, the finals in Koszalin were attended by 550 participants.

The constant influx of applications for permits to leave the country prompted the authorities to also improve the legal status of the Germans. The Law of July 1950 abolished sanctions and restrictions on citizens declaring their German origin, and in July 1951 the Government Presidium adopted a secret resolution requiring the presidiums of the voivodship people's councils to examine all the previous rulings concerning the Polish Germans under the Decree of September 1946 on Excluding Persons of German Nationality from the Community. That decree justified, among other things, their deportation from Poland and confiscation of their property. The injured parties were given back their property and paid compensation.

As early as starting in 1950 the authorities began to try to assimilate the Germans and include them in the life of the Polish community. This policy was also continued under Gomulka, but with very little in the way of results. To be left in peace, the Germans joined the trade unions and even the PZPR but they undoubtedly kept their children from compulsory teaching of the Polish language and from their recruitment into Polish Scouts. Protests against tendentious teaching of German history also took place. The Germans were unwilling to participate in the 1954 elections to people's councils, because they feared that this would result in compulsory imposition of Polish citizenship. Thus while right after the war they tried hard to obtain that citizenship, now they thought only of leaving the country.

As for the authorities, they tried to keep the Germans in the country. In 1955 and 1957 the PZPR Central Committee passed recommendations for providing the Germans in Poland with conditions so good that they would lose the desire to depart for the FRG.

In May 1957 there was finally established the German Socio-Cultural Society in Walbrzych, which the German

community there had been petitioning for years. The authorities approved it on the basis of a prewar executive order of the President of the Republic of Poland, but they endowed it with a completely updated statute for the times. The society was to include the Germans "in nationwide socialism-building," familiarize them with "the accomplishments of the GDR," and "popularize the revolutionary aspirations of the Polish and German nations." The Society's scope of activities extended only to Lower Silesia, but it tried to act on behalf and in the interests of all Germans in Poland (the board of governors of a similar society in Olsztyn departed for the West even before holding its first meeting). The Society engaged in cultural and social activities, assisted its members in emigrating to the GDR and the FRG, and protected the minority's interests against the authorities. Funded by the Ministry of Internal Affairs, it was under its thorough control.

By then, however, all the Germans had thought about was departure. The drive to reunite families, initiated under the agreement between the German and Polish Red Cross and the GDR government in 1955 turned into mass emigration. Owing to lack of members, the last few amateur art ensembles disbanded in 1958, and in 1966 the German-language elementary schools in Legnica and Wroclaw were shut down. In 1958 the German Socio-Cultural Society became moribund. Soon afterward it was reanimated but in the 1960's it had a membership of only several hundred. Following the third wave of emigration in the 1970's its membership shrank to 160. By the end of 1988 the average age of the members of its Walbrzych branch was more than 63.

This Land Is Ours

The Recovered Territories are also inhabited by the autochthons [natives]. Frequently bilingual, these indigenous inhabitants have traditionally emphasized that they are neither Poles nor Germans. To the Soviet troops who earlier conquered these territories, these were irrelevant nuances.

"They killed prisoners in Wehrmacht uniforms and civilians, Germans and locals, without differentiating between them. In Gogolin they all at once slaughtered 54 people, in Otmet, 82, and in Boguszyce, 300," said Jan Kroll of Gogolin (who as recently as in the 1970's still used to spell his name [the Polish way] Jan Krol), the founder and until recently leader of the Opole organization of the German minority.

Murders, robbery, and rape were common in the Recovered Territories. It is estimated that at the time every third woman living there was raped. The Russians set afire villages and towns, including Raciborz and Nysa, destroying priceless old-town architectural landmarks. Germans and autochthons, especially miners, were deported en masse for forced labor in the USSR.

Masurians and Silesians bear in their minds even worse memories of the Poles following in the wake of the Red Army. The Russians rampaged for a couple of weeks,

whereas the "szabrownicy" [looters] plundered for months. In Masuria they even laid a railroad track in order to transport their plunder more efficiently. The authorities combatted the petty "szabrownicy" but they themselves sponsored official looting on a gigantic scale. Abandoned factories in the Recovered Territories were put into operation by teams dispatched from similar factories in central Poland, and these gave priority to dismantling the equipment needed by the mother factories. Even towns were transported. In Nysa several dozen 17th- and 18th-century houses were dismantled and their brick, joinery, and plumbing fixtures transported to Warsaw for reconstructing its Old Town.

One of the darkest and most carefully suppressed pages in the annals of postwar history was the persecution of the Germans and autochthons immediately after the Liberation. The transit camps in which they were placed prior to their expulsion fairly often also turned out to be places of forced labor and torture. Such places were Jaworzno and Lambinowice where, on the territory of a former concentration camp, the new inmates were professionally tortured by Polish ex-prisoners of Hitler's concentration camps.

The 1946 law on the Polish citizenship of persons resident in the Recovered Territories required that they submit declarations of loyalty to the Polish nation and state and prove their Polishness to examining commissions. The implementation of the Polish Workers Party-legislated rules for proving Polishness left much to be desired. In the border zone commissions dominated by activists from central Poland and by the military operated with exceptional brutality, simply aiming at clearing the area. Quite often persons of genuine Polish origin as well as Polish-speaking autochthons who had been forced by the occupier to sign the Volksliste III [declaration of German ethnic origin] were denied Polish citizenship. It also happened that well-off individuals were for no reason declared German and the property therefore confiscated from them was appropriated by commission members and their relatives and friends. The incompetence of the newly arrived Polish officials resulted in that often one or two more Polish families from the interior were assigned to a farm belonging to an autochthon family. When placed in such a situation, the settlers from the east did everything to have the rightful owners of the farm, most often women because the males worked in Soviet mines and labor camps, declared German, and expelled.

"In Raciborz 'Polish kings,' the families most stubbornly adhering to their Polishness in the town's boroughs, which could not be expelled as Germans, were humiliated and kept away from public life in order to destroy local, independent, and prestigious authority," said the Rev. Franciszek Pieczka, an expert on Raciborz.

Elsewhere the vetting did not operate like the eye of the needle either. The commissions exempted persons with some or other familiarity with the Polish language, frequent among Silesian and Masurian Germans, from

submitting declarations of loyalty and certified them as Poles. At times Polish citizenship was simply bought.

The consequences are evident to this day: The autochthons who declared themselves as Germans inhabit en masse the central area of Opole Voivodship. In contrast, the zone of the boundary with Czechoslovakia and Germany is settled almost exclusively by immigrants from the east.

The humiliated, intimidated, and robbed autochthons nevertheless declared for Poland during the vetting. To increase their chances for staying in Poland, they themselves Polonized their names and surnames and hid their German identity papers. Altogether, by the end of 1946, 1,008,500 persons gained Polish citizenship in the Recovered Territories. Many of them felt themselves German.

"This was our little homeland, our 'Heimat,' our land, with our cemeteries. I found in the parish books that Lokai Handschuh died in my village in 1740," said the carpenter Blazej Handschuh of Bienkowice, the leader of the Silesian organization of the minority.

The Opole sociologist Danuta Berlinska claims that the desire of the autochthons to remain in the territory at any price stems from the mentality they had evolved over the centuries. "The Opole region is world's oldest colony, 1,000 years old. It has always been exploited and its population treated like a conquered tribe. The autochthons learned to labor, to endure, and ignore what was happening at the top."

Here in the eternal borderlands where the feeling of national identity was tepid and unclear, adopting the nationality of whichever happened to be the victorious nation meant something else than to a Varsovian or a Berliner.

Living for centuries in the borderlands, the autochthons became impervious to nationalism. They were joined to Poland by cultural kinship, language, and customs, and to Germany chiefly by the work ethic and a common material culture, and also by their familiarity with the German language. Usually rejected by the Germans (because they are not "pure Germans") and by the Poles (because they are not "real Poles"), they identified themselves principally with their own ethnic group, with the local village and neighbors. "They remained Silesians, because they felt themselves distinct from Germans and were treated by the German society as second-class citizens. Thus their remaining in place was not so much choosing in favor of Polishness as choosing in favor of their native land," said Danuta Berlinska. A similar choice was made after the war by Masurians and Warmians.

From the Heimat to the Vaterland

Right after the war the Recovered Territories were a colony to the Poles. The colonizers, the immigrant "real Poles," had better housing and better job and career

opportunities waiting for them. Silesian and Masurian cultures were ridiculed as being contaminated by Germanness, and the traditional regional associations, newspapers, and choral groups were ordered closed. German speech was fiercely combatted. In 1950 the Silesia-Dabrowa Voivode Aleksander Zawadzki issued a confidential absolute prohibition against teaching the German language in elementary, secondary, and higher schools as well as at public extension courses. A similar policy was followed in Warmia and Masuria.

The autochthons were subjected to repressions for publicly speaking German, and not infrequently children were forced to denounce parents for speaking German at home. The ethnic Germans in Lower Silesia were allowed in 1957 to establish their own associations, but the autochthons were not.

The policy of forced assimilation was a grotesque reflection of the Prussian Germanization drive. Grotesque, because, both in the material sense and in the sense of social services, postwar Poland had less to offer the autochthons than did prewar Germany.

"The status of 90 percent of the Silesians at present is the same as that held by previous generations of Silesians in the German society," said Danuta Berlinska. "Only one-third as many Silesians receive secondary or university education compared with the Polish newcomers to Opole Silesia, and 85 percent end their education on graduating from the elementary school."

This is a result of the social attitudes of the autochthons, but it also is a result of social prejudice.

Most of those few who gained prominence accomplished it owing to financial assistance from relatives in the FRG. Those who remained on land have become substantial farmers, increasing their holdings owing to the departures of their neighbors. To an increasing extent Silesians have been associating the good things in their lives with Germanness. Quite soon they began to identify Polishness with the arrogance of the authorities, economic mismanagement, and political uncertainty. The saying, "In Germany this could not have been possible," commenced its career as early as in the 1950's. Germanness began to be idealized and linkages to it cultivated. In the early 1950's the indigenous population officially acknowledged as Polish had accounted for 60 percent of the circulation of ARBEITERSTIMME. It was then too that the fashion for Latin gravestone inscriptions appeared on Silesian cemeteries. German-language inscriptions had been prohibited, so that was how one's separateness was emphasized even after death.

Once it became possible, the autochthons voted with their feet. The 1955 and 1956 family-reuniting agreements with the German Red Cross and the GDR government made possible not only departures by "reclaim Germans" but also, as they put it, persons incorrectly adjudged to be autochthons. Altogether, during the years 1956-59, 275,000 persons, that is, five times as many as the official size of the German minority, had left Poland.

The psychological turning point in the issue of departures took place in the 1960s, following the economic burgeoning of the FRG. (Even before everything was clear, anyway: 227,000 persons had traveled to the FRG and 48,000, chiefly the elderly, to the GDR.) According to an interpretation of German citizenship that incidentally remains valid to this day, emigres who had been Reich citizens in 1937 and their children had legally safeguarded rights to be received on German territory as German citizens. The decision of Masurians, Warmians, and Silesians to leave for Germany was practically risk-free, since in return they received tax privileges, subsidized housing, and well-paid jobs.

The Gomulka-era stagnation left no illusions as to the chances for a prosperous life in Poland. What is more, after October 1956 [workers' bread riots in Poznan] the authorities tightened their policy, and chiefly placed obstacles to temporary visits to relatives in the FRG. Hence, the autochthons left permanently, the more willingly and in the greater numbers considering that the growing number of their relatives and friends in Germany made it easier for them to adapt themselves to the new conditions there.

In its official statement to the German side in 1970 the Polish government specified that during the 1960s some 150,000 persons left the country under the regular family-reunion procedure, and it confirmed that a certain number of persons "who indisputably are of German nationality" continued to remain in Poland. The government's concurrent declaration that it would place no obstacles in the path of continued departures was kept. In October 1975 at Helsinki PRL Minister of Foreign Affairs Stefan Olszowski informed Hans-Dietrich Genscher that during 1971-75, 65,000 persons received approval for permanent departure to both German states. He added that by 1980 an additional 125,000 persons will receive such approval. And in the 1980's an additional more than 630,000 persons left for Germany (clearly, in that period many of those going to Germany had nothing in common with either Germans or the autochthons).

In reality, the number of departures during those 30 years was much higher. After the war the Warmian community practically disappeared (40,000 in 1947 compared with about 8,000 at present) as did the Masurian (81,500 in 1947 compared with some 10,000 at present). The Silesian community at present is not thriving in numbers—according to the calculations of Robert Rauzinski, the natural population increase for Opole autochthons in the years 1951-83 was 164,000, but during the same period 148,000 had emigrated. It was chiefly the young people who left for the West, and thus it can be said without exaggeration that the Silesians have surrendered their future to the Germans.

The Germans Are Coming Out of the Closet

The idea of forming an association of the minority was imported into Silesia from the FRG by activists from the

Union of the Expellees (Bund der Vertriebenen) in 1981. The first local activists received allowances of 300 deutschmarks each but they failed to fulfill the hopes placed in them, having all without exception surfaced in the Vaterland even before martial law was imposed in Poland.

It was only in March 1984, when the policy on granting passports to autochthons became tightened, that 17 persons applied to the authorities with the request to register the Association of Germans in Poland. A refusal followed rapidly. Another group requested in September 1984 approval for the founding meeting of the German Socio-Cultural Society in Poland. That was refused, too, but as soon as in October yet another group requested registering the Association of Germans with offices in Roszkow near Raciborz. More groups kept making such requests until 1989. Altogether, 570 founders submitted 14 requests for registering German organizations in various Polish towns and cities and two requests for publishing a German-language newspaper for the minority.

The authorities kept turning down these applications, and so German activists operated illegally. Initially minority groups were reactivated clandestinely in the Raciborz, Gliwice, and Zdzieszowice regions of Opole Silesia. The chairman of the organization in Bienkowice near Raciborz, Village Head Norbert Gajda, even conceived the name, Society of the German Minority, for this clandestine movement, but the name, Deutsche Freundschaftskreis (DFK [German Friendship Circle]) became popular among the scattered groups. The basic purpose was to facilitate departure for its members. After two years more than 20 clandestine DFK's were in existence.

On 10 May 1986 was to be held the first clandestine congress of the German minority in the Raciborz Convent of the Annunciation (the nuns were told that this concerned a religious retreat). Two days before the congress the Security Police took action: Five organizers were arrested and 250 would-be participants were told to go home from outside the convent and at the train station. Similarly, the clandestine congress of the DFK in Polska Cerekwia, Opole region, the following year was uncovered. The cars of the participants, parked next to a local road, were blocking traffic and militiamen looking for their owners discovered the secret meeting.

Both unsuccessful congresses caused the conspirators to accuse each other en masse of betrayal and incompetence. A drive to place monuments on the graves of Wehrmacht soldiers in Roszkow was to compensate for these failures. The Security Police reacted with searches and detentions. When, following a succession of chicaneries, DFK activists were granted passports, they all left for the FRG.

The DFK's remained paralyzed until as long as 1989. It was then that Johann Kroll and his son Henryk commenced a semipublic drive to collect signatures on lists

of persons of German origin. "My purpose is to organize the German community on permanent principles and halt the emigration," said Johann Kroll in 1989.

The lists with signatures were deposited with the German embassy in Warsaw by DFK leaders out of fear of their confiscation by the militia. But no one was hassling them. By the time of Chancellor Kohl's visit more than 250,000 persons had signed up on these minority lists, according to Johann Kroll.

Who knows what would have been the further fate of the German movement in Opole region had not Senator Edmund Osmanczyk died shortly after the elections of June 1989. It is an irony of fate that the death of this stalwart supporter of the Polishness of the Recovered Territories enabled the German minority to recruit dozens of thousands of new supporters and establish several score new DFK branches during the campaign preceding the run-off elections. The activists from Gogolin refused to support the Solidarity candidate and instead nominated Henryk Krol. He kept the Polish spelling of his surname and formally was not a German candidate but an independent representative of the local population. The Opole Solidarity, which supported the candidacy of Professor Dorota Simonides, proposed to Krol a "gentlemen's agreement" not to make nationality issues a topic of the electoral campaign.

The candidates accepted the agreement and kept it, but after the unresolved first round of the elections, in which Henryk Krol gained a slight superiority over Prof. Simonides, they ceased to play the game by decent rules. The Candidate of the Voivodship Alliance of Trade Unions based her campaign on the slogans of "Polish national patriotism" and proposed retaining Soviet troops for protection against the German minority, which she termed the Fifth Column. The local German activists called on the autochthons to rally round them, promising that an electoral campaign would be the first step in Germany's return to these territories. At night the posters of both sides were ripped off. In the villages inhabited by the autochthons appeared the graffiti, "Hadziale weg" ("Poles [from USSR territory] out!") and "Hadziale za Bug!" ("Poles [from USSR territory] go back behind the Bug River!"), while in Opole there appeared the graffiti, "Krol to Germany!" and "Szwyby raus" ("Boches out!") along with drawings of gallows with swastikas hanging from them. When a uniformed National Rebirth of Poland squad arrived from Katowice to Opole and burned publicly the FRG flag, it seemed as if it were but a step left to a Polish Land of the Basques.

The Germans Take Power

Actually, nothing awful happened. As soon as a few weeks after the elections the antagonists began to eye each other with perplexity and embarrassment. Both sides had the feeling that the ethnic issue in the elections was manipulated by third parties. The Poles pointed the finger at the Union of Expellees, while the German

minority pointed to the collapsing PZPR. This return of sobriety has been surprisingly lasting and widespread. "Since the elections we have not recorded any incidents with an ethnic background that would require intervention by the police," said Cezary Balawajder, the press spokesman for the Voivodship Police Headquarters in Opole. The complaints reaching the police are rather disarming: a drunkard in a tavern called another drunkard a Boche; at a bus stop a Polish woman gave a German woman a dirty look; German-language posters were torn off (so were the adjacent Polish-language ones). When this year RZECZPOSPOLITA reported that in Zdzieszowice gangs of youthful Polish rowdies were breaking up meetings of the German minority, the police received a letter from the governing board of the local DFK: "The representatives of the Governing Board of the German Minority in Zdzieszowice declare that during their meetings so far no deplorable incidents have taken place. But we can state with a clear conscience that posters announcing our meetings have been torn off. We are trying to coexist as best as we can with all the inhabitants of the town of Zdzieszowice."

The run-off elections to the Senate were won by Prof. Simonides and Solidarity, but the real victor was the German minority. After it became finally registered during that time, the Socio-Cultural Society of the German Minority in Opole Silesia succeeded in mobilizing the support of 124,000 native inhabitants of the region during the electoral campaign. The achievement of Henryk Krol and his associates was to stir Silesians from their traditional passivity toward public life—voter turnout in their townships was much higher than in the districts with large numbers of immigrant population. Lastly, the elections demonstrated that Poland lost the battle for the hearts and minds of the native inhabitants, since only a minimum number of Silesians voted for Prof. Simonides, a pro-Polish Silesian woman. In the village of Dobrzen, before the war the proverbial fortress of Polishness in the Opole region, the descendants of the fighters for Polishness made a symbolic choice: 157 voted for Prof. Simonides and 1,076 for Henryk Krol.

But while the run-off elections to the Senate ended in a formal defeat but actual victory of the Socio-Cultural Society of the German Minority, the elections to local governments were a double success for that Society. Exploiting the political revival accompanying the electoral campaigns, it established local branches. On Election Day 172 DFK's (the formal name of the clubs was retained) associated about 130,000 members; that is practically the entire electorate that voted for Henryk Krol. Of the 1,440 local-government seats in Opole Voivodship 380 were won by members or sympathizers of the Society. In effect, councilmen representing the German minority have seats in 35 gminas [townships] (out of 61), and in 26 of these gminas they are in the absolute majority. A consequence of such election results is that the German minority is strongly represented in the voivodship dietine (22 out of 76 representatives), and that 16 German village heads and burgomasters have been elected.

In view of the deepening schism within the Solidarity movement, which altogether won 434 [gmina-council] seats [in Opole Voivodship], the Socio-Cultural Society of the German Minority has recently become the strongest political grouping in the voivodship.

Little Berlin, Little Prussia

"And what happened?" asked Jan Borsutzki, the German burgomaster of Glogowek, which before the war used to be called "little Berlin" in view of its beauty, but now has regained its nickname also because German councilmen and burgomaster are in power there now. "Nothing, really!"

And indeed, the sky has not fallen. The elections took place in a surprisingly calm atmosphere. There was no nationalist hysteria, no personal attacks, and only one instance of tomfoolery on the street by visiting young anarchists. Burgomaster Borsutzki, who had in 1988 clandestinely organized the Glogowek DFK, said that the Poles do not resent him for that, "Fifty percent of the councilmen are Poles and the other 50 percent are Germans. I got 18 votes, and the Polish candidate, the former city chief, only four. The public needs a good administrator for these difficult times, and it is not concerned with politics."

Although he heads a municipal administration dominated by immigrant Poles, he does not intend to fire them. The only position he has eliminated is that of the deputy burgomaster, but in return he appointed a KPN [Confederation for an Independent Poland] member as the gmina secretary. "Those who do a good job will remain. Those who do not will be let go as incompetents rather than as Poles fired by a German." To Jan Borsutzki the problem is not the Germans and Poles in the gmina but the first people to become unemployed. He therefore invited the burgomaster of Vrbno, the neighbor town just behind the Czech border. Over there spinning mills stand idle owing to a flax shortage, whereas here flax is in abundance, so much that the operation of retting plants had to be stopped owing to overproduction. The burgomasters negotiated a trade and, on the occasion, invited each other's children for vacations: The children from Glogowek traveled to families in Vrbno and the children from Vrbno to Polish and German families in Glogowek. Only after the contacts with Vrbno are consolidated the time to look for a sister city in Germany will come: "I haven't had the time for it yet."

Burgomaster Borsutzki feels himself the burgomaster of all Glogowians, but recently the local Solidarity began to stand in the opposition. From the outset it was angered at him for his failure to fire communists from the municipal administration. Now it accuses him of privatizing the Municipal Repair and Construction Enterprise and selling a pharmacy at the expense of the public good and showing favoritism to private buyers, who incidentally are Polish. The burgomaster does not let himself be

too much affected by it because no one, including Solidarity, is officially protesting his biggest project.

This concerns completing the construction of the greatly needed hospital in Glogowek, for which no funds are available. Hence, the burgomaster intends to return Glogowek Castle to its prewar owner, Count von Oppersdorf, in exchange for the funds to complete the construction and equipping of the hospital. Jan Borsutzki insists that the count is the moral owner of the castle, which had sheltered the Polish King Jan Casimir during the Swedish invasion of Poland, but that he is trying to understand the feelings of Poles. "There is always the consoling thought that the von Oppersdorfs are kin to the Radziwills."

Germans must have the right to buy land in the Opole region, as otherwise there will be no influx of German capital, without which the region cannot rise from the ruins—this is being said in all the gminas where councilmen consider themselves Germans or Silesians. This also, of course, is being said in the Glogowek Town Hall but people there also say that the activities of the Opole Socio-Cultural Society of the German Minority are too "muddled politically," that it is wasting too much time on pretty membership cards and dreams of playing a role in German national politics, while at the same time ignoring the heap of work it has to accomplish locally.

So that is one facet of the German community in the Opole region: Enterprising burgomasters and village chiefs who are trying to attract German capital in order to establish municipal hospitals and install gmina water supply systems, who design ambitious plans for modernization and are not at all disposed to view the Union of Expellees as their Delphi oracle. "A new generation of German minority activists, individuals committed to civic affairs who are not associated with the Landmannschaften [expellees' associations in Germany] is arising," said Czeslaw Tomalik, the delegate of the government plenipotentiary for reforms of local governments in Opole Voivodship.

They are not alone. They sense the support of their voters, who are chiefly interested in the same thing that had interested their fathers and grandfathers: work, a decent wage, "German" living standards, and the German language in the school attended by their children—voters who deny the rumors that they are being attacked by Poles and who, on St. Anne's Mountain, gave a more than chilly reception to Herbert Hupke [a Union of Expellees representative from Germany].

But there is also another facet of the German community—that of "Little Prussia" as the local Poles have mordantly nicknamed central Opole voivodship (but not the city of Opole itself), which is dominated by the German minority. The old guard of the activists who had a couple of years ago struggled for the legalization of the DFK movement is closely linked to the Union of Expellees in the former FRG, the Landmannschaft of Silesians, and AGMO, the Organization for Defending the

Rights of Man in East Germany. It is the members of that old guard who head the Opole Socio-Cultural Society of the German Minority. And it was they who, in January of 1990, established the Central Council of German Societies in the Republic of Poland. The Coordinating Office of that Council in Strzelcy Opolskie handles not only communications with the German societies in other voivodships and the distribution of the material assistance, such as books, cassette-tape records, audio-video equipment, and cash received from Germany. "Properly speaking, we call ourselves a 'Verbindungsbuero,' a liaison office, because we link the Polish DFK's with the AGMO and the Union of Expellees in Germany," explained Ewald Ochman, whose spacious buildings house the office and serve as warehouses. From all over Poland, from each of the more than 300 DFK groups subordinated to the Central Council, the office receives reports on current activities and on the utilization of the aid collected by the Union of Expellees and the AGMO. The office merely puts these reports in order and sends them on to Germany.

The old activists of the Socio-Cultural Society of the German Minority have in the last two years been performing truly acrobatic contortions in order to avoid having to confirm the definitive nature of the border on the Odra and Nysa rivers. At a time when some of the Society's leaders argued circuitously that, inasmuch as they belong to an ethnic minority, they recognize the border indirectly, because there can be no German minority in Germany, others spoke of the German province of "Schlesien."

At an electoral meeting of the Society in Stradunia activists demanded mandatory instruction in the German language at elementary schools and preschools as of the 1990/91 school year in all localities in which the German minority is in the majority, and the establishment in Opole region of a German branch of the employment office. Already then the delegates demanded granting the German minority a special status in the form of dual citizenship. To boot, there were the demands to let a delegation of the German minority attend the "Three plus Four" negotiations on the future of Germany and to guarantee a deputy's seat in the Bundestag for a representative of Silesia. At another meeting in Gogolin it was desired that Prime Minister Bielecki consent to the formation of mixed Polish-German troop detachments in which representatives of the German minority would perform their military service. On yet another occasion it was argued that this would not be necessary if the Polish Germans were to perform their military service in the Bundeswehr....

When some of the Society's activists demanded the restoration of German names of the localities in which the minority is in the majority Helmut Wieschollek, a DFK activist and the head of the village of Dziewkowice, installed in front of his village signposts bearing the inscription "Dziewkowice—Frauenfeld." Later he declared that he cared neither for the provisions of the

Polish-German Good Neighbor and Friendly Cooperation Treaty nor for the lack of support from the village, "I am creating faits accomplis that will have to be accepted."

On hearing about Village Head Wieschollek and Polish-German divisions, the Gogolin activists shrug their shoulders with pity and disdain. "Irresponsible individuals can be found anywhere," said Henryk Krol, who was elected chairman of the Opole Socio-Cultural Society of the German Minority at the congress in Stradunia. The activists declared their desire to cooperate with the Polish immigrant population and reiterated that the Polish-German treaty represents to them the long-expected foundation of harmonious coexistence.

But there is yet another facet of the German presence in the Opole region, although it is hardly prominent. A few Germans see farther than the cottages of their neighbors and want to rebuild Silesian identity upon being at the same time open to both German and Polish cultures. "We desire to tell the truth about Silesian history and present. We oppose Polish lies, but not in order to open the road to German lies," said Fryderyk Kremser, an artist-photographer and chairman of the Eichendorff Conservatory in Opole. Once a week he meets with 30 Silesian acquaintances at the Conservatory in order to read German literature and discuss the Silesian past and tolerance meshing both cultures in concord. The Conservatory organized in Opole a concert and an exhibition of graphic arts from the FRG, to which it invited university students majoring in German studies and members of the German minority. Fryderyk Kremser personally got the FRG Embassy to donate 60,000 marks for the acquisition of books in both languages for the voivodship library.

A majority of Conservatory students feel themselves German, but they are in no hurry to join the Socio-Cultural Society of the German Minority, because they are disinclined to accept responsibility for the Society's political line. Fryderyk Kremser declared bitterly, "I am not sure whether they would consider us German at all. Recently Mr. Stanek of the Society refused me the right to sit at the same table with German parliamentarians on the grounds that I am cooperating with Polish cultural institutions."

Archipelago Deutschland

Chancellor Kohl's visit to Poland was preceded by arduous negotiations. The knottiest problems concerned the German minority. It even had seemed that owing to a difference in opinions on this issue Chancellor Kohl would not come to Poland. The proof of a breakthrough in the approach to the German minority issue was the joint declaration signed by Prime Minister Mazowiecki and Chancellor Kohl on 14 November 1989, in Warsaw; it expressed the view that in either country people who identify themselves with the language and culture of the other country have the right to nurture their cultural identity and establish their own associations. As soon as

on 16 January 1990 the Katowice Voivodship Court registered the Socio-Cultural Society of the Population of German Origin (TSKLPN) in Katowice Voivodship. On 23 January the TSKLPN of Czestochowa Voivodship was registered. The Opole Silesia Socio-Cultural Society of the German Minority headed by Johann Kroll was registered by the Opole court on 14 February, and on 15 March the Association of Polish Citizens of German Origin, with head offices in Gdansk, likewise was granted legal entity. By now voivodship courts in Poland have registered 24 organizations of the German minority.

"Here in the Opole region we are the strongest," was said proudly at the Coordinating Office of the Central Council. "But Germans are everywhere, all over Poland." But their number is not clear. The German minority and the Polish authorities cite widely diverging figures. For example, according to Henryk Krol, there are 330,000 Germans in Opole Silesia, whereas their number is not more than 200,000 according to the voivodship authorities. Since the last census did not contain a question about ethnic origin, we have to rely on estimates. It does not seem that in Poland the number of persons regarding themselves as Germans is fewer than 250,000 or greater than 410,000.

The German minority in Czestochowa Voivodship is, historically viewed, part of the Opole community, since it inhabits a fragment of the former Opole regency incorporated in Czestochowa. According to the Coordinating Office it numbers more than 40,000 persons and cooperates very closely with the Socio-Cultural Society of the German Minority in Gogolin. The situation in Katowice Voivodship is similar: Part of the 80,000-strong—according to the Coordinating Office—minority also inhabits the territory of the former regency. All the Upper Silesian DFK's cooperated very closely with the Opole Socio-Cultural Society of the German Minority—until the schism in the Central Council of German Societies.

As a result of that schism, toward the end of last year the Council's activists fired the Council Secretary Diethmar Brehmer of Katowice. Henryk Krol accused him of willfully naming himself secretary general, designating experts and advisers without consulting the other members of the council, and disseminating in its name political documents that he did not consult the other activists about. Diethmar Brehmer, a pioneer of the DFK movement in Silesia, believes that he was fired because of his pro-Polish attitude: "Kroll and Handschuh told me bluntly: 'You are working for Poland, not for the minority!' That was after I had supported on television the final recognition of the border on the Odra and Nysa rivers."

The roads of Diethmar Brehmer and the Central Council of German Societies parted owing to their different interpretations of loyalty to the state: While behind his back the Council activists disseminated the "Sixteen Points" memorandum coordinated with the Union of

Expellees, which demanded, among other things, "rights distinguishing the German national group from the whole of the inhabitants of the Republic," he declared that he felt himself a loyal Polish citizen of German origin.

At present he is directing the activities of the Upper Silesian Charitable Society. This is not an ethnic organization; it distributes Western donations to all needy—it operates a mission at the train station and two shelters for the homeless, and it provides supplementary meals for 12,000 Silesian children and 2,600 pensioners. In addition, Diethmar Brehmer has established the "Reconciliation and the Future" German Worker Community whose purpose it is, he emphasizes, to build not only the German minority but also a bridge between it and Poles. The Community broadcasts regularly from Katowice Radio.

Following a recent congress of his supporters Chairman Brehmer announced that "Reconciliation and the Future" has a membership of 8,600 and the Upper Silesian Charitable Society has a membership of 18,200, while the Main Council of Upper Silesian Germans, which he also had founded, associates chairpersons of the Katowice DFK's which have a combined membership of 20,000.

His adversaries from the Katowice TSKPLN, which is loyal to Gogolin, claim, on the other hand, that Brehmer represents several hundred people, whereas they represent more than 60,000. All these figures should be approached very cautiously.

Other ethnic German societies throughout Poland have from several dozen to a couple of thousand members each. For example, the Wroclaw society at present has about a thousand members, but it is said that soon this figure will triple. "Ordinary people are joining up because they have nothing to lose. The military, policemen, academics, directors of large factories, teachers, and physicians still are not disclosing their origin out of fear of losing their jobs," said Chairman Fryderyk Petrach. This opinion is also shared by Genowefa Labuch, a member of the main board of the Jelenia Gora society (470 members): "Many are afraid, and many elderly and handicapped find it physically too difficult to come to us."

The situation in Warmia and Masuria is more complex. The nearly 1,900-member Olsztyn Association of the German Minority is not maintaining contact with the 700-member Association of Polish Citizens of German Nationality in Olsztyn. Referring to the latter association, which recently changed its name to the "Los" [Elk] German Association, Walter Angrik, the chairman of the Olsztyn Association of the German Minority commented, "We wanted to cooperate with them, but they consider themselves Poles of German origin, whereas we consider ourselves Germans." On the other hand, the 50-member "Korzenie" (Roots), a third minority organization active in Olsztyn, wanted to join Angrik's

association. "They even attended our congress, but they are radicals who model themselves on Opole. They demanded German autonomy in Masuria and renaming cities and streets. Let them try and do it. As for us, our heads are not in the clouds," said Chairman Angrik.

Recently some members of Mr. Angrik's group switched to the Los Association. He himself claims that, as protestants, they received more parcels and money from the rich Protestant Church in the FRG than the other members, Catholics, were receiving from the less well-off German Catholic organizations. When the Catholic majority wanted to share the gifts equally, the better-off Protestants switched to the Protestant Los, where the provision of abundant aid is something normal. The religious differences account for the estrangement between the two Olsztyn associations as well as for the rapprochement between Walter Angrik's movement and the—for the most part Catholic—Socio-Cultural Society of the German Minority in Warmia and Masuria at Biskupiec Reszelski. Thus, years later, the old division into Catholic Warmia and Protestant Masuria is discreetly reviving.

The 470-member Jodly Association of the German Minority in Ostrog and the not much bigger Heimat Cultural Association of Germans in Szczytno are distancing themselves from the Olsztyn disputes. And they all distance themselves from the Masurian Polish-German Union in Olsztyn, which is not considered "pure" German because it is "only" Masurian.

Apart from individual exceptions the activists of German minority organizations are not interested in national issues and focus on local issues. Nearly all these societies have by now offices of their own and are organizing courses in the German language. This is a sensitive and prestigious issue, since the young people and the greater part of the adults are completely unfamiliar with that language.

At many societies the main boards are passionately devoted to vetting their members. The criteria almost everywhere meet the requirements for recognition as a German in the FRG. Searches for birth certificates, big hunts in archives, and excavations of family documents continue.

In addition, the Germans are establishing libraries and trying to care for post-German landmark: In Torun they care for the Monument to the Bavarians who died in the Napoleonic wars, and in Elblag they are trying to join the Foundation for Rebuilding the Old Town.

Who Is Afraid of the German?

The Polish press has reacted hysterically to the emergence of the German minority from its closet, as if a late tyrannosaurus got hatched out of a prehistoric egg. It did not ask "What are they like?" or "Why are they like that?" but "What are they going to do to us yet?"

Nowadays the awareness that we should accept the fact that some people consider themselves German is slowly germinating. In a poll conducted last March by the OBOP [Public Opinion Survey Center] 82 percent of the respondents declared that Germans should have the same rights as other ethnic minorities in Poland. Sociologists have stated that in the Opole region fears and anti-German prejudices are much more prevalent in the gminas where the German minority is practically absent than in the mixed gminas.

For a year now, in addition to the German-language masses held on Mt. St. Anne in Opole, which until recently had stirred so much emotion, masses in the German language have also been said in the gminas inhabited by the minority. The Opole Ordinary Bishop Alfons Nosol has established in the Opole region five pastoral districts for organizing religious care for the minority in, as he put it, the language of the heart. In his recent funeral eulogy for the Rev. Franciszek Pieczka in Raciborz Market Square the Rev. Bishop Nosol spoke part of his sermon in German—and not one of the thousands present felt scandalized thereby.

"We do not fear the teaching of German in schools; on the contrary, we are doing everything to afford an immediate opportunity to those desirous to learn it," declared Andrzej Popiolek, an Opole school inspector. In the 1989/90 school year in Opole Voivodship an elective course in German was offered in only one elementary school, near Brzeg, inhabited almost exclusively by Polish immigrants. By contrast in September 1990 as many as 134 of the 630 elementary schools in that voivodship began to teach the German language. During the school year 50 more schools began to teach that language. "Together with the local DFK activists we

already accomplished a great deal," said Popiolek. "We consider the drive to offer instruction in that language as beneficial to the state, since thus the number of our citizens familiar with foreign languages is increasing." Many new teachers of the German language lack, however, any pedagogical qualifications. For the time being they are being trained by 10 teachers from Germany. Next year the Opole school inspector's office, jointly with the Goethe Institute, intends to emulate Hungary and commence the retraining of jobless Russicists into Germanists.

In Silesia and northern Poland a new generation of Poles, to whom the local Germans are simply neighbors rather than an age-old Teutonic menace, is arising. These new Polish activists, civil servants, and politicians, who finally understand Silesia, Warmia, and Masuria, also are aware that it was not any "innately reactionary nature" but the absence of local German elites and the indifference of the elites in Germany that had propelled the DFK movement into the arms of the Union of Expellees. Thus they themselves are inviting major German public figures to meetings with the German minority and having book collections and exhibitions brought in from Germany as well as recruiting German teachers from the Goethe Institute along with artists and industrialists. "Both the German minority and we all should put a premium on the presence in our country of what is best about Germany and German culture," said Czeslaw Tomalik.

We should realize that Germans have not appeared in Poland only yesterday, that they have been with us almost from the outset, and that normally our life with them was far from the worst.

Draft Constitution Articles Explained, Defended

92BA0008A Bucharest BARICADA in Romanian
17 Sep 91 p 11

[Interview with Vasile Gionea, vice president of the Constitutional Commission, by Octavian Berindei; place and date not given: "The 'Haste' To Pass It..."]

[Text] [Berindei] Mr. Gionea, what were the main stages of the draft constitution?

[Gionea] Last year the Constitutional Commission hammered out the theses of the draft constitution, which was a predraft for the constitution and which contained the fundamental ideas. The theses were discussed at length in the Constitutional Assembly (the Chamber of Deputies and the Senate) and were passed with some small modifications. Then we worked on the final draft constitution article by article and formulated them precisely so that each citizen can thoroughly understand the text of the law. This final draft was handed to every Parliament member [MP] two weeks prior to the recess with the mention that they were expected to suggest amendments. A maximum of two weeks was set for presenting amendments and 1,019 amendments were submitted.

[Berindei] What's the explanation for the large number of amendments submitted?

[Gionea] Very many deputies did not want to take into account the fact that they had voted for those theses in the Constitutional Assembly, and that once a decision is passed, the Assembly cannot retract it. Some of the amendments involved nothing but rephrasing, others stemmed from an erroneous understanding of the text of the constitution, while amendments in a third category were made in the belief that they could contribute real improvements. The commission carefully examined each and every amendment and we composed a report to the Constitutional Assembly in which we cited the text of the amendments, reasons for upholding it, and under another column we marked "accepted" or "rejected." In its turn, whenever the Commission turned down an amendment it was obligated to explain its position. It was a very laborious work, but we did complete it.

[Berindei] Parliament's recess has ended. What's the next step concerning the draft constitution?

[Gionea] Now we are in a position to discuss the constitution. Many MP's who submitted amendments, once they saw the Commission's reply, gave up. They realized that they had been wrong. Senator Fintescu proposed 236 amendments—that was a record—and he has already scrapped 100.

[Berindei] These 100 amendments will not now be discussed?

[Gionea] Of course. If an MP withdraws his amendments, they are no longer discussed by the Constitutional

Assembly. In my opinion, other MP's will also withdraw their amendments, so that their number will be reduced by half.

[Berindei] Do you think that 500 amendments can be examined by November, as it was announced?

[Gionea] If we assign two and one-half days a week, then we will be able to pass the constitution by at the latest the end of November. The fact that some amendments have been withdrawn shows that their authors were somewhat hasty and frivolous in drafting them, having forgotten what they shouldn't have forgotten about their vote. For example: It was decided that the form of government in the state should be the republic. I had suggested holding a referendum, so that the people could decide whether to have a monarchy or a republic. The Constitutional Assembly opted for the republic! I could no longer propose an amendment along that line. Some MP's are of the opinion that we don't need a bicameral system, but at some point that form was passed, so it cannot be retracted. Aside from such examples, we are convinced that by the end of November, perhaps even earlier, we will have a constitution.

[Berindei] Mr. Gionea, is it too soon, or rather too late?

[Gionea] First of all I want to recall that if we don't pass the constitution by 11 January 1992, the Parliament will be legally dissolved. This entire constitution will be scrapped and a new Parliament will come and hammer out another constitution. The second reason for which the constitution must be adopted this fall stems from the fact that a string of new institutions must be established: a Legislative Council, an Attorney General, and a Constitutional Court. The third reason stems from the fact that a number of European delegations and even some from countries across the ocean have been inquiring as to when the constitution will be ready. And as long as we don't have a constitution, we cannot enter Europe.

[Berindei] Mr. Gionea, the Romanian public is worried about this "haste," fearing that the majority group in Parliament, the FSN [National Salvation Front], may proceed to impose the constitution just as they did with the privatization law.

[Gionea] I don't think that will happen. It could have happened at the stage of discussion of the fundamental theses, but they didn't do it. I don't think they will do it now, because each MP realizes that the country needs a constitution, for the reasons I cited above. Without it, the country's life is dragging, is not normal, because of the absence of a fundamental law. We cannot achieve real democracy without a constitution, without the separation of powers in the state.

[Berindei] Will the MP's rise to the occasion of this mission?

[Gionea] I'm sure they will. Before belonging to a given political party, each MP is a Romanian and is thus interested, like the entire nation, in carrying through this constitution.

[Berindei] But assuming that some parties will nevertheless pull out?

[Gionea] In that case the FSN, which has the majority in Parliament, will not abandon the constitution, on the contrary, it will pass it. If the opposition withdraws from Parliament, the FSN will hold a vote very soon, within at most two weeks. Fortunately, however, in spite of all the criticism, this is a good constitution and contains very many clear issues. Regardless of what government comes to power or what political party governs the country in the future, it will not be able to completely eliminate this constitution.

[Berindei] Assuming that the constitution is passed, can amendments still be made after that?

[Gionea] Any party, even the present party, could make modifications in the constitution, but it could not eliminate it.

[Berindei] Opinions are divided concerning our draft constitution. Many foreign experts criticized it. I'm referring to Mr. Mario Oriani Ambrosini and Mr. Albert P. Blaustein. What can you tell us?

[Gionea] In the past two months, since we have had a final draft constitution, all the parliamentary delegations and scientists who came from various countries of the world and examined this draft had praise for it; they told President Ion Iliescu and Prime Minister Petre Roman, and they stated on the radio and television and at press conferences that it was a modern constitution, a democratic constitution. I will venture to make the same assertion although I, too, have some reservations about it. Not all the proposals I submitted to the Constitutional Commission and in the Constitutional Assembly were accepted, although I still believe that I was right. I told you about the idea of a referendum about the form of government, which was turned down. I also suggested that religion classes be compulsory in elementary and intermediary state education. I suggested that because I am convinced that the church has played and plays a very important educational role, and because the youth, who grew up in a period of dialectical materialism and dictatorship, needs this moral and educational element. Another amendment I proposed dealt with the need to set limits to the powers of the president. In 10 to 20 years, when democracy will be stronger in our country, then the powers of the president can be greater, perhaps like in the United States even. Our situation, however, is different, we have only just escaped a dictatorship.

[Berindei] Mr. Gionea, how do you view the issue of the separation of powers in the state, an issue that until now has been criticized?

[Gionea] The accusations leveled by Professors Oriani and Blaustein were completely unfounded for a very simple reason: They did not study, did not examine our draft constitution. Their remarks were off-the-cuff. That's the only possible explanation for the fact that they imputed a number of things to us which in reality were treated in great detail and very well in the draft constitution. They said there was no separation of powers in the state. Wrong. The draft clearly states what are the duties of the executive power, the duties of the legislative power, and the duties of the judicial power. The judges are declared independent and irremovable, which was not the case under the dictatorship. The draft deals at great length with the ties between Parliament (the legislative power) and the government and with the relationship between the president, the government, and Parliament.

Had these professors talked to us, they would not have said those things, but it seems that there were some material interests involved.

[Berindei] Mr. Oriani said: "Democracy is when every citizen can appeal to the Constitutional Court." What do you think?

[Gionea] If we had gone with that idea we would have stifled the Constitutional Court. In our country the Constitutional Court has very broad duties and—like in all the civilized countries—we expressly enabled it to examine every law before being promulgated by the president from the viewpoint of constitutionality, and if it is unconstitutional, it can be declared as such. The Constitutional Court may be notified about certain unconstitutional laws. Such notification can come from MP's, from the president, and also from the citizenry. But there must be a large number of citizens, not just one. If each citizen were to have access to the Constitutional Court, the court would have to employ thousands of persons and thousands of jurists. Individual citizens can appeal to a deputy or a senator, and the latter can pursue the matter further.

[Berindei] Does the Constitutional Court have control over the opportunity of declaring a state of emergency, or doesn't it? Can the president decree a state of emergency when he sees fit, or can't he?

[Gionea] This is how this situation is regulated in the text of the law:

Article 91—He (the president) may declare partial or general army mobilization with prior Parliament approval.

The president's decision will be submitted to Parliament post factum only in exceptional cases, within at the most five days of being passed. In the case of armed aggression against the country, the president of Romania can take measures to repel the aggression and will immediately apprise Parliament of that by message. Article 92—The president of Romania may declare a state of emergency

or martial law throughout the country or in given localities, according to the law, and will ask Parliament to endorse the measure adopted within at the most five days of taking it. Evidently, the president is greatly dependent on Parliament.

[Berindei] Are we then to understand that Romania's president does not have veto rights?

[Gionea] He does not. According to the draft constitution, if the president does not agree with certain provisions, he can send Parliament a message requesting it to discuss the law again. If Parliament upholds its viewpoint and makes no changes, the president is obligated to promulgate the law. Consequently, all the decision-making power belongs to Parliament.

[Berindei] You are very familiar with the recent events in the Soviet Union. Assuming that a similar case occurred in Romania, what does our constitution envisage for such a situation?

[Gionea] The constitution provides only guarantees for the exercise of the powers, of each power, in the state. If there were a coup d'état in our country, the people would have to take a stance. I want to believe that after almost 50 years of dictatorship, the Romanian people are intelligent enough not to want to once again land in a dictatorship and that they will be able to preserve their democratic freedoms. I believe that the people themselves, the Army, and the police will not remain passive, but will seek to defend their freedom, independence, and democratic institutions.

[Berindei] Taking the draft constitution as the point of reference, please cite a few examples concerning the role, representations, and duties of the Army in the state and its prerogatives.

[Gionea] According to Article 116, the Army is controlled exclusively by the wishes of the people for guaranteeing the sovereignty and independence of the state, the territorial integrity of the country, and constitutional democracy. The above provisions are also duly valid for the police, the state intelligence services, and the other armed forces. The organization of paramilitary activities is forbidden. In accordance with Article 117, the country's Higher Defense Council uniformly organizes and coordinates activities pertaining to the country's defense and national security.

[Berindei] A few months ago we signed a treaty with the Soviet Union. How should this treaty be viewed against the background of the current political situation in Europe?

[Gionea] I am convinced that undoubtedly this year or next, but more probably after the elections, this treaty will be submitted to Parliament for ratification. There will be heated discussions and I think that very many MP's will challenge it and will demand that it not be ratified. I, too, believe that signing the treaty was a big mistake, but I don't at all believe that the government,

the FSN, and Mr. Iliescu will drop it. Perhaps not now, because it spoils their electoral campaign calculations.

[Berindei] Mr. Gionea, on behalf of the readers of our magazine I want to thank you for your clarifications regarding the much discussed issue of the endorsement of the draft constitution.

Bankers Queried on Transition to Market Economy

*91BA1174A Bucharest CURIERUL NATIONAL
in Romanian 21 Aug 91 pp 1, 3*

[Article by N.M. Popescu and Victor Grecu: "Five Questions for Five Bankers"—first paragraph is CURIERUL NATIONAL introduction]

[Text] In the current process of transition to a market economy that we are experiencing, the banking system has a special role to play. The banks themselves are in a natural and necessary process of internal restructuring and redefining of their functions. This gives rise to a whole range of issues. Our reporters N.M. Popescu and Victor Grecu attempted to deal with a few of these problems by investigating five of the major banks.

On page three you will find the answers to...five questions for five bankers:

1. What role do you think your bank will play in the process of transition to a market economy? Where do you think your bank is in the hierarchy of existing banks?
2. What do you think are the differences between your bank and a similar bank in a country with a market economy?
3. What role do you think that small and medium-size firms can play in Romania's economy?
4. Please comment on the phenomenon of financial occlusion that has appeared in relations among economic agents! Could it have been avoided? How?
5. Please comment on the exchange rate between the leu and the dollar set by means of interbank auctions. In your opinion, what leu/dollar ratio would realistically reflect Romania's economic situation? When do you think that the convertible leu will become a reality?

Constantin Duna, Director General of the Ion Tiriac Commercial Bank

1. The main objective of the first private bank opened in Romania, the Ion Tiriac Commercial Bank Ltd., was to establish a first banking institution in our country apt to draw its capital from the Romanian and foreign private sector, particularly Romanian and foreign individuals, with a view to allowing the bank to encourage the process of privatization of the Romanian economy and the establishment and development of a private sector in the areas of production and services, especially by providing loans and other banking services, and to continuously

wield banking forms and methods on behalf of the transition to a market economy.

We believe that our bank occupies a privileged place in the hierarchy of the currently existing banks in Romania, because it was registered as the first private bank. The bank has a very open policy and it can select its own customers. From the viewpoint of capital it is also well placed, with a subscribed capital of 3 billion lei, 20 percent in U.S. dollars and 80 percent in lei. The establishment of our bank opened up genuine banking competition on the Romanian money market. We hope that this competition will be honest, correct, and long-term and that it will push to the fore as many banks as possible. The competition must be between aspects such as service quality, personnel competence, effectiveness, efficiency, customer information, and service speed. Moreover, our bank is not merely an institution of banking services, but it also provides advice and guidance to customers for identifying the most advantageous and comprehensive banking services.

2. Our bank is similar to commercial banks in countries with a market economy from the viewpoint of its statute and management, and working norms and methods. In view of the wide range of activities of the bank's customers and its wish to diversify its risks, the bank has an expanded profile; it acts as a commercial bank, business bank, participating bank, and to a certain extent as a mini-investment bank. In contrast with similar banks in countries with a market economy, in view of the fact that in Romania there is no significant private capital and that capital is now being formed through work and initiative, the forms in which we guarantee loans to the private sector are more flexible.

The Ion Tiriac Commercial Bank Ltd. operates like any similar bank in countries with a market economy and can carry out any banking operation (for foreign banking operations it has a network of corresponding banks in the major Western countries). Its board of management maps out policies for attracting and placing funds, and what is most important, it sets interest rates, etc.

3. In every country with a market economy, especially in the industrialized countries, the propelling force of the economy are the small and medium-sized enterprises. This sector—which is very well organized in the industrialized countries—is here at its inception and is still encountering serious difficulties. In our opinion, it must be helped by means of a clear and coherent legal framework, an encouraging fiscal policy, a modern supply system, bank credit, etc., so that in our country, too, they can become the propelling force in the economy and be capable of absorbing and satisfactorily training the labor force and of providing good quality products and services at the right prices.

4. The current financial occlusion is unfortunately having a negative impact not only on the enterprises that are working at a loss, but also on those that are efficient and are showing a profit. In our opinion, this occlusion

could not have been avoided in view of the current methods of management of the economy. The financial occlusion also has a negative effect on the banks, especially those which work with state capital, in that they cannot pursue their credit policy freely and efficiently.

5. The rate of exchange of the leu in comparison to the U.S. dollar and other convertible currencies is the outcome of many economic and political factors. Our country's special economic situation, the significant price increase, the systematic drop in exports, etc., and particularly the elimination of budget subsidies for imports and exports has led to the creation of interbank auctions. Since these auctions are free and the National Bank does not step in to support the national currency, they do not engender important transactions and are mostly of an indicative character. In our opinion, an official exchange rate of 120-130 lei to the U.S. dollar should be set and steps should be taken to gradually close the gap between the two rates—official and auction—and of course to eliminate the auction rate.

A considerable number of conditions must be met before our national currency can become convertible, and that is possible only over a certain period of time. The most important conditions are: a generally and consistently even balance of payments, and selecting a judicious and realistic exchange tax. These conditions, or rather their fulfillment, require meeting many other economic conditions, such as setting limits on domestic prices, providing national products at the level of foreign competition, and of course interest rates, etc. In compliance with its duties and statute, the National Bank must act to consolidate and strengthen the banking sector, so that the latter can fulfill its important role and become solid and profitable banking institutions.

Marian Crisan, President of the Romanian Development Bank

1. After a period of nonexistent competition we are being catapulted into a market economy. In order to help the transition to a market economy, the Romanian Development Bank (BRD) has established its priorities, decided to work precisely, to be resolute, to have a sound control, to be prudent, and particularly to anticipate economic phenomena as closely as possible. The BRD's strategy is aimed at: utilizing the lever of credit and interest to promote profitable activities in the conditions of the incipient existence of a capital market; supporting the private sector in the economy, something that is verified by the approval of loans in all the sectors of activity (the BRD intends to continue to be very active in this respect); facilitating the penetration of foreign capital by attracting foreign lines of financing or credit; providing financial-banking consultancy services to commercial associations, private entrepreneurs, and autonomous administrations. Together with the customers we must approach the socioeconomic environment pragmatically and consider the new economic-financial relations only from the viewpoint of

profitability; selecting valuable, profitable, and economically useful projects and finding domestic or foreign credit sources (IBRD, CFI [expansion not given], or commercial banks); and offering customers prompt banking services. The position of a bank is determined by certain criteria, namely capital, assets, volume of loans, etc. It is still premature to attempt a classification. Life and the customers will determine the position of each bank.

2. There are several elements that set us apart from banks in market economies: capital level; the structure and economic power of the customers; the fact that the leu is not convertible; professional training, and thus experience in a market economy. We must train new bank intermediary experts, dealers, brokers, accountants, and comptrollers; adjustment of both bank personnel and customers to the conditions of the new economic environment; absence of appropriate equipment, namely computers, but other resources, too; mentality and behavior toward the customer, conscientiousness, and promptness; working with cash. We want to point out that in these very difficult conditions for the bank, the BRD personnel in its over 120 branches, offices, and agencies, including five new branches recently opened in Bucharest, have made and continue making special efforts, for which I have the highest consideration and appreciation.

3. I view the small and medium-size firms as the propelling force of privatization and as a certain source of future profit. This has been demonstrated in Germany, South Korea, Taiwan, Japan, and other developed Western countries, where such enterprises are in the majority. In view of the limited financial resources of the population, the development of this sector without the benefit of bank credit is inconceivable. That is why we have adopted a strategy of wide opening toward free initiative in this area. More than 20,000 private enterprises have open accounts with us and we have given more than 9,000 loans.

The bank apparatus has directly supported entrepreneurs with economic, technical, and legal advice both for consolidating their options and appropriately utilizing accounting tools. We also provide help with foreign accounts, meaning that we have relations with over 50 banks in developed Western countries and that the BRD can carry out any foreign payment or receive payments from any partner in the world.

4. This phenomenon was inevitable in the current economic conditions in which some enterprises are pursuing unprofitable activities in inherited conditions; the occlusion could not have been avoided, although it might possibly have been mitigated. Not enough resolute measures were taken to bankrupt enterprises working at a loss. The increase in prices and salaries led to a shortage of liquid funds. The process of economic restructuring, the implementation of bankruptcy legislation, and the recent privatization law will contribute to eliminating this phenomenon.

5. The bank auctions represent a small percentage of the overall currency exchanges. This is an experiment at this period of transition, but the results are not conclusive for ascertaining the evolution of the leu in relation to the dollar. At this precise moment it is difficult to identify the real ratio between the leu and dollar, as the real purchase power of the leu will be able to be expressed in figures only when certain economic phenomena have stabilized. The convertibility of the leu will depend on the restoration and development of our economic capacity.

Ion Ghica, President of the Romanian Commercial Bank

1. As we know, the banks are the main source of credit financing for productive activities. The new concept adopted by our bank in the area of credit and interest is calculated to discourage those involved in unprofitable activities and to encourage those who are efficiently utilizing financial and material resources, are concerned with raising the competitiveness of their products, and are expanding their markets.

In the interval of only a few months the Romanian Commercial Bank Ltd. [BCR]—which has branches and offices in all county seats and in more than 100 cities of economic importance—has managed to organize so as to be able to carry out the entire range of bank operations, in lei and foreign currency, such as: attracting and keeping cash deposits, current and term accounts from Romanian and foreign individuals and firms; making short, medium, and long-term loans in lei and foreign currency; payment operations into and from customers' accounts; banking and financial operations abroad for ourselves or our customers, participation in currency auctions, foreign exchange operations, arbitrage in money and capital markets, and any other legal operations.

As for the second part of your question, in view of the volume of investments and the number of transactions in lei and foreign currency carried out by our units and even of the number of personnel who carry out these operations at a high level, we view ourselves as one of the major banks in Romania.

2. Our scope of activity covers the entire range of banking services offered by any commercial bank in countries with a modern market economy. While I do not see essential differences in the goals pursued by the bank, there are still great differences regarding the means used to attain those goals. There are also differences in the area of forms and especially means of payment and account, as well as in the use of computerized banking operations. Personally, I will be very happy to come to the point where a transfer in lei from the Sector 6 branch to the Baia Mare branch can be done by a means of telecommunication and in the span of a few minutes.

3. I believe that at the present stage the small and medium-size firms are adjusting more quickly to the

economic changes and are bearing the cost of the transition with greater ease. Such firms can effectively reorganize their activities both with regard to volume and profile in keeping with market demands. The establishment of as many small and medium-size firms as possible is beneficial, considering that they do not require great financial resources and their business risks are accordingly smaller.

4. The current financial occlusion is a consequence of the pronounced economic stoppage recently brought about by the drop in the level and quality of production and in labor productivity, and by the failure to correlate productivity and salaries and the continued existence of unprofitable enterprises which continue to show considerable losses. Even if we'll have a general action to repay the debts of economic agents, by which we can eliminate the financial occlusion for the moment, this situation will be only temporary if the causes that generated and are perpetuating the economic stoppage are not eliminated.

5. In the current economic situation I find it very difficult to appraise the leu/dollar ratio resulting from auctions on the interbank market. The demand for foreign currency, which is higher on some days, the fact that some customers want to sell at higher rates, those are factors apt to influence the real level of the rate of exchange. The auction rate is also influenced by the big demand for foreign currency from economic agents, which cannot always be met, and that situation is also exacerbated by certain forms of speculation. However, one step was made toward the convertibility of the leu on 5 August this year, when foreign exchange houses were opened and began operating exclusively for private customers. Another important moment will be when the official rate becomes the same as the rate set daily by the National Bank, thus eliminating the current dual exchange rate. The main element for ensuring the real convertibility of the national currency is to revitalize the economy and increase the productivity, efficiency, and competitiveness of Romanian products, which must increasingly find their way to foreign markets, thus creating sufficient hard currency reserves.

Alexandru Dinulescu, President of BANKCOOP

1. The role of our bank stems from the very fact that it operates with private capital and is supporting the transition to a market economy primarily by offering credit to private companies; second, with its 41 branches, 80 outlets, and 852 bank credit cooperatives it is present in all major localities in the country, close to agricultural farmers and units, so that it can conveniently come to their aid. BANCOOP also supports, to the best of its possibilities, some state companies that have the potential to overcome their impasse by means of a loan in lei or foreign currency. As for where we rank in the hierarchy of existing banks, I find it difficult to make this kind of estimate. I can only say that we have opened 41 county branches which are working in good conditions.

2. The differences are many and great. I won't enumerate them, but they are generated by both the fact that commercial companies are not aware of all the possible banking products and services, and the fact that the bank personnel are not trained in all the banking techniques, products, and services available in a market economy.

3. First of all, small and medium-size companies are easier to start and generally speaking, they can be profitable. For example, the consumer cooperatives and cooperative commercial associations are showing a profit. Despite all the difficulties still existing in increasing private capital, we have several large private firms with a turnover of over 1 billion and even several billion lei a year and with large profits. Aside from the privatization law, for the time being the establishment of small and medium-size private companies is the main means of forming domestic private capital. In my opinion, in a few years time—two to five years—many large, strong production companies can be established in Romania, which will be far more profitable than the former state enterprises.

4. There is, of course, an economic solution. We can have feasibility studies done, possibly with help from outside, for each enterprise working with state capital, which can thus be examined and divided into profitable companies. If they cannot become profitable, then they will go bankrupt and the premises can be sold, refitted, and reutilized for other purposes. If this kind of radical measures are not taken, then the occlusion cannot be averted by any means.

5. The leu/dollar rate at interbank auctions is close to the economic reality. That rate is given by the relationship between the still high demand and the limited supply. In other words, domestic prices for market commodities still allow economic agents to buy dollars at 235 lei and to make enough profit selling them so that they will do it again.

This situation is caused by the fact that domestic production is still small and product quality is still poor. The leu may still drop in relation to the dollar. The falling rate can be checked by increased production, productivity, and product quality. I think that the fall of the leu may hit rock bottom within a few months, after which, if production does pick up, the rate of the leu may rise, get to under 200 lei per dollar, and later, in four to five years it can consolidate and get to even less than 100 lei to the dollar, in my opinion, to 40-50 lei.

Of course, control measures could be taken, but such measures cannot defeat the economic laws. The government could dump a large volume of foreign currency on the market to meet demands. But as the demand is very great, such a measure could help, but it could not resolve the problem. Consequently, there is only one solution: increased productive activities. Then the convertibility of the leu can become a reality within three to four years.

Gheorghe Barbulescu, President of the Agricultural Bank

1. The transition to a market economy is the era of credit. The situation of the Romanian economy at the current period of transition requires a preponderence of borrowed money over one's own money. This assertion is even truer in the case of the Agricultural Bank, whose main customers are employed in agricultural activities. And the agriculture, especially at a time when peasants are restored to property under Law No. 18/1991 and when it has every prospect of becoming a priority area again, needs resources, including loans, more than other branch of the national economy. This augmented need for funds is justified for at least two reasons, namely, on the one hand, the fact that the existing technical means need to be modernized, and on the other hand, the multitude of new agricultural concerns that have appeared and that do not have their own investment funds.

We believe that we occupy a priority place in the hierarchy of existing banks in view of our customers and their needs.

2. a) As a rule, in a market economy banks are private, meaning they operate with private capital. At this time of transition, the Agricultural Bank Ltd. has only state capital, whereas in the future it will issue and sell stock.

b) The owned resources of the Agricultural Bank are far more limited than those of banks in countries with a market economy. In addition to the fact that our social capital is smaller in comparison with the large commercial banks, the Agricultural Bank Ltd., like all the commercial banks in Romania, can for the time being not utilize certain important assets such as shares, bonds, credit, and other stock.

c) The rate of interest is set for the commercial banks, including the Agricultural Bank, by the National Bank in keeping with the general monetary policy of the executive and legislative powers.

d) The competition between the Agricultural Bank and other commercial banks in the country and abroad is still at an incipient stage precisely because of restrictions like the ones mentioned above and because of the centralized phenomena that still persist in the Romanian banking system.

3. Small and medium-size firms will become dominant in Romania's economy. This assertion is even more valid in the agriculture and food industry, where the nature of the activities, the type of property, and the technical-material resources are to a large extent suitable for moderate concentrations of production and profits.

4. The financial occlusion was an inevitable occurrence in postrevolutionary Romania. First of all because it existed prior to December 1989, too, and because the absence of liquidity, solvency, and ability to make payments became more acute as production dropped and loans were curtailed. We believe that in the future the occlusion can be avoided by wielding the bankruptcy law in the case of economic agents engaged in unprofitable activities, and by rapidly developing bank credit. We cannot restore the economy by reducing credit, even more so since there are no other resources available.

5. To a considerable extent the interbank auctions demonstrate the existence of inflationist trends and thus of the devaluation of the national currency, while production is constantly falling. We believe that the bank auctions do not reflect realistically enough the current leu-dollar ratio. More precisely, the real rate may be under 110-130 lei to the dollar, but considering the fact that the demand for dollars is greater than the real need, the dollar is nevertheless too high in relation to our leu. We estimate that the leu will become convertible only after the material production has substantially increased and adequate foreign currency reserves have been formed to support its convertibility. We could form such reserves faster partly with the help of foreign loans.

Strategic Importance of Damaged Sisak Steel Factory

92BA0020A Zagreb *GLOBUS* in Serbo-Croatian
13 Sep 91 p 5

[Article by Marko Franjic: "Battle for Sisak Steel"—first two paragraphs are *GLOBUS* introduction]

[Text] The Sisak Steelworks is of strategic importance to Croatia.

How is it to produce and carry on business while grenades are falling?

Marko Franjic visited the Sisak Steelworks the day after Serb rebels and the Army attacked the Sisak industrial zone.

Following the attack on Petrinja, the Army has continued its assault into the Sisak industrial zone: the Ina Refinery and the Sisak Steelworks.

The steelworks was attacked with heavy artillery (cannons, howitzers, mortars) at daybreak on 7 September, during the changing of two shifts at the plant, and thus when the greatest number of people were present, and the attacks continued the next day. The steelworks was hit by 87 projectiles.

The material damage to the plant was great, estimated at around \$1.5 million; vital parts of the steelworks were hit. Only one worker was injured—the steelworks' safety service reacted quickly, and the workers were moved to shelters in time. Damage to equipment and installations has been great, but production is continuing nevertheless, following brief repairs.

The population of Sisak and the surrounding area was especially surprised by the Serbian attack on the Adriatic oil pipeline, since it is in fact used to deliver the raw material to Serbian refineries. Nevertheless, it appears that the Army and Serb guerrillas considered the damage to be inflicted on Croatia to be more important, including the possible ecological catastrophe of incalculable proportions and consequences. But as the Crisis Committee for Banija said, all measures have been undertaken to defend the plants and reservoirs, and the fire-prevention service has already demonstrated its capabilities. It extinguished one burning reservoir with record speed.

Controversial Pipes

The Sisak Steelworks was recently the subject of criticism for its alleged delivery of pipes to companies in Knin and Kistanje. From 27 March to 28 June of this year, some people have alleged, but the management of the steelworks denies, that deliveries of 196 tonnes of pipes were made to the "Dinarka" enterprise in Knin for a total value of 2,735,000 dinars, while the "Jadran-metall" factory in Kistanje received 125 tonnes of pipes valued at 2,161,000 dinars.

There has been controversy about the possible final application of these pipes, or rather about whether they could possibly be used to manufacture weapons. According to the bills of lading, these deliveries involved poor-quality welded pipes, not special steel pipes intended for the war industry. By working carefully, however, it would be possible to manufacture around 800 pistols from 800 kg of high-quality Sisak pipes....

The director of the Sisak Steelworks, Mr. Milos Petrovic, who is also a deputy of the Party of Democratic Changes (SDP) in the Croatian Assembly, has only reinforced public ill will through his public denials of these deliveries. Neither press conferences by its management nor paid newspaper advertisements have halted new charges that the steelworks is working against Croatia. Only the public support given to Milos Petrovic by Croatian Prime Minister Franjo Greguric has allayed suspicions to a certain extent.

Today, Milos Petrovic says, "We have 1,200 customers, and so our pipes can be easily repurchased by anyone. We have fully reduced deliveries to Serbia and the JNA [Yugoslav People's Army], especially those of seamless pipes from specific-purpose production, which, I must reiterate, we did not deliver to enterprises in the 'SAO [Serbian Autonomous Region of] Krajina.' All of that is now under government control, but some of our customers in Slovenia, whom we cannot name for business reasons, are reselling our pipes to Serbia. We, however, cannot completely stop the sale of our products, even though we are in a difficult situation, forced to work despite artillery attacks on us."

Work 12 Hours a Day

The war has also brought with it the problem of significant absenteeism among workers at the steelworks. In addition, a large share of the 10,000 workers at the steelworks in Sisak are of Serbian nationality, and more than half of them are not showing up for work.

"At the moment, there are 2,000 people under conditional termination notice. When they show up, they will have certain questions to answer, and if they have not violated laws of the republic, if that is possible, then they will be able to return to work. There have been reports in the press to the effect that we are protecting certain people....

"However, we cannot know in advance who is not coming to work because of roadblocks and who is not doing so because they have become turncoats," says Petrovic, adding that "in addition to the fact that we have been deprived of a large number of workers, our plants in Glina and Dvor have also turned their backs on us. They are currently attempting to operate like enterprises in certain other republics, and we are applying all our resources to efforts to regain our plants and to reestablish the production chain. We are also being forced to work 12-hour days." Perhaps the steelworks should part company with disloyal workers even more energetically. The public still remembers the brazen

provocations by Yugoslav Army reservists who arrived for retribution in armored personnel carriers with weapons in their hands. The Army attacked the steelworks, aiming only and specifically at vital sections, and since the plant occupies a total area of 12 hectares, this cannot have been mere chance. This could only have been the work of people well acquainted with the steelworks.

In addition, during the latest attacks, workers of Serbian nationality stayed at home. Thus, there is a fifth column at the steelworks. The director says, "We have no proof of that, but security has been strengthened to its maximum level."

Unpaid Reservists

Today, Milos Petrovic explains, workers who are in the Yugoslav Army as reservists are no longer receiving pay, because they did not receive the call-up order through the opstina secretariat.

The war has also drawn into question the Sisak Steelworks' exports, one of its main sources of revenue. This year, the steelworks planned to export goods worth \$95 million. Thus far, a level of \$40 million has been achieved, and it is hoped at the steelworks that at least last year's level of \$80 million will be reached.

According to a study by British Steel Consulting, the institution that has successfully reorganized British steelworks, the Sisak installation stands the greatest chance among Yugoslav steelworks of extricating itself from the crisis. It has a promising program for producing welded and seamless pipes, as well as a relatively low level of foreign debt. Sisak is the only city in Yugoslavia where seamless pipes are produced. In the past, Sisak worked out an investment of around \$200 million in new production of seamless pipes, but it never materialized and incurred public criticism.

The steelworks' problems could be cleared up with \$40 million. Part of that amount could be provided by the republic in the form of government bonds. Around \$250 million for further plans would have to be borrowed abroad.

The Sisak Steelworks is of strategic importance to Croatia, especially for its arms industry. Director Petrovic does not hide the fact that the steelworks is "100 percent involved in the defense of Croatia, and that it is fulfilling all its defense obligations even under war conditions...."

Long-Term Solution for Economic System Functioning

92BA0020C Belgrade EKONOMSKA POLITIKA
in Serbo-Croatian 16 Sep 91 p 12

[Article by A. Damjanovic: "Slovenia: Common Misery"—first paragraph is EKONOMSKA POLITIKA introduction]

[Text] An analysis of Slovene economic opportunities and troubles by Aleksandar Bajt. Already seen in other republics as well. A solution based on production and exports.

Much of this has been granted and conceded, but it is high time that something be done for the economy, is the basic conclusion of the commentary by Aleksandar Bajt on the conduct of economic policy in Slovenia and Yugoslavia over the most recent part of the year. This is indicated by the fact that not only has the level of economic activity failed to increase, but also the main economic indicators are worsening from month to month. Foreign-exchange insolvency has increased, while the influx of new investments has slacked off, even though it is still stronger in Slovenia than in other parts of the country. The unemployment figure has climbed to 70,000, while the earnings of those who still have jobs have declined in comparison to the same period last year; total personal income has fallen 20 percent in real terms, with a 10 percent decline per worker.

Aleksandar Bajt blames the solution offered by the Federal Government for this situation, but also the passive role of Slovenia, which wants to distance itself from the rest of Yugoslavia at any price. "Demonstrating political independence" has brought about "principled opposition" to cooperation with Federal institutions and "the impossibility of subordination" to decisions made on the Federal level. Independent solutions have been offered in the "amateurish self-conception of a separate currency."

The prominent economist expects his republic to play a greater role in shaping economic policy, and that its representatives will demand a change in monetary and stabilization policy, including a special policy on exchange rates and imports. In the event that they do not do so, it is proposed that Slovenia find its own solutions.

Aleksandar Bajt considers a document drawn up under crisis conditions, "The Starting Points of Macroeconomic Policy Over the Next Three Months," which was offered by the Federal Government, to be a piece of paper without a real future. Criticism relates to the conception of the document, which offers simply a "policy of survival, of defense against disagreeable events," a short-sighted slide into an even worse economic situation. For this reason, there are calls for a meaningful, longer-term economic policy, whereby "longer-term does not mean later, but rather immediately"; it is essential that "lasting solutions" be ensured that will allow for the normal functioning of the economic system. Deregulation would play a significant role in the normalization of economic relations.

The unfavorable economic performance of the Yugoslav economy has been partially mitigated by the fact that production in Slovenia has not experienced as drastic a decline this year as in other parts of the country. A slower decline in Slovene production compared to the Yugoslav average has been recorded since the last

quarter of 1989. The lag in Yugoslav production behind that of Slovenia increased at the beginning of 1991, when there was an unexpectedly sharp decline in production in all of our republics. After the shock of contrary trends in April and May—the Slovene increase in production and the Yugoslav decrease—the gap became even greater. The difference was rounded off to 10 index points. Bajt sees the higher quality of products offered by Slovene producers as the reason for the slower decline in production in Slovenia than in the rest of Yugoslavia. In the event of a liberalization of import policy—meaning “tighter monetary restraints”—Slovenia and its exports are much less vulnerable than other Yugoslav republics. During the final quarter of last year, Yugoslav production momentarily and temporarily rose above Slovene production because of a “loosening of monetary restraints.” The explanation of the enormous drop in Yugoslav production during 1991 lies in the fact that clearing exports was suspended, which affected other republics much more than Slovenia because of the poorer quality [of domestic goods].

Aleksandar Bajt sees the fettering of growth in personal income and the proportionally high level of overall dinar insolvency as necessary and very essential instruments of monetary policy that must be applied in order to normalize the functioning of the economic system. New issues of money are regarded as dangerous and certainly inflationary, while an increase in solvency should be limited by the guarantee that “it will not spill over into personal income and prices.” Bajt suggests that the problems created by the partial exclusion of Slovenia from NBJ [National Bank of Yugoslavia] issues be solved by ad hoc measures. The acceleration of the circulation of money must be intensified by paying out income in shorter terms, with frequent splitting of debts and claims, greater use of checks, and the issue of dinar vouchers in the event of difficulties with cash.

In the opinion of the Slovene economist, however, a real solution should be sought in an increase in production and exports. Even in that case, ad hoc measures will be maintained that will not ensure simply an increase in production and exports, but rather, to be more accurate, a halt in their further decline. In order to perpetuate the sale of products from Slovenia in other parts of Yugoslavia, or rather to export them under new terms, it is proposed that “bilateral agreements” be established “within Yugoslavia, especially cooperative ones, potentially with a clearing system for transactions between the republics,” and mandatory insurance against risks.

Addressing the question of ownership and production efficiency, Bajt warns that economic policy has become “entangled” in the process of “octroyed privatization and denationalization,” indirectly acknowledging that he regards the private form of ownership as the most important component of production. In his opinion, however, this is the only factor without which production is possible, while it is inconceivable “without labor, without land, in a mercantile economy without entrepreneurship, although similarly it cannot be increased

without inventiveness.” True private ownership is achieved through production and the creation of value, or income, and by investing it rather than spending it—i.e., through labor, entrepreneurship, and inventiveness. For this reason, there is inherent distrust in the form of privatization based on “(re)distribution” that some want to implement and that is supposed to ensure an increase in efficiency. Anticipating that even a decline in efficiency could be seen during an interim period, Mr. Bajt concludes: “Let us remember that our economic system has been based on a redistribution of income for nearly half a century, that it has always been so. Should we now extend the redistribution system from income to capital as well? This would give us (after resale) only capitalist-speculators, not the entrepreneurs that we need most.” In his opinion, the problem of ownership is adequately solved if:

- Private investment is allowed in any sector, regardless of the size and legal form of the enterprise, with certain restrictions and regardless of capital ownership.
- The social sector is allowed to attract private capital through additional capitalization, also regardless of the size and form (indebtedness, stock share), and under similar conditions, regardless of who the owner is.

Aleksandar Bajt regards the nationalization of enterprises as extremely dangerous and negative, because in that case they would be deprived of genuine managerial administration. This assessment is confirmed by the fact that many directors are receptive to the idea of nationalizing social enterprises.

Data on Federal Budget Deficit Reported

92BA0028A Belgrade BORBA in Serbo-Croatian
24 Sep 91 p 12

[Article by J. Kesic: “The Federal Budget in the Red—Topcider Is Financing the Yugoslav People’s Army”—first paragraph is BORBA introduction]

[Text] Only 47 percent of the necessary funds have been paid into the Federal Treasury in the first nine months, because the republics and provinces are retaining sales taxes and customs duties. The NBJ [National Bank of Yugoslavia] has printed 22 billion dinars for the needs of the JNA [Yugoslav People’s Army] by resolution of the Federal Government.

As the Federal State goes, so goes the Federal Treasury: No one respects the Federal State and its laws, and no one is paying money to the Federal Treasury. The sum of 26.8 billion dinars should have been paid into the budget of the Federation in the third quarter of this year alone (July, August, and September), the minimum amount, by estimate of the Federal Government, for financing the JNA, welfare for disabled veterans, the operations of Federal organs, and settlement of international obligations. This plan, however, has not been fulfilled by far (and won’t be), since only 42 billion dinars, or 47.6

percent of the necessary funds, have been paid into the Federal budget from the beginning of the year up to 15 September. For nine months, 88.5 billion dinars should have been paid in....

Plans—Nice Wishes

Since this year's Federation budget has not been adopted at all in the Assembly of Yugoslavia because of lack of agreement among the republics and provinces, the Federal Executive Council [FEC], together with the Agreement on the Functioning of the Nation During a Moratorium, confirmed on 23 July a proposal for the minimum funds necessary to be provided in the Federal budget for the third quarter. The FEC submitted this proposal, for the 26.8 billion dinars cited above, to the Assembly of the SFRY, but the latter did not review it, since it has practically not even met for the last two months. The question is whether it exists at all any more, since Slovenia and Croatia have pulled their delegates out of the Federal Parliament.

The Federal Government has compiled an estimate on the budget, and foresaw that it was necessary to provide 17.7 billion dinars for the JNA in the third quarter (15.4 billion for current financing and 2.3 billion for military pensions), 3.6 billion for disabled veterans' welfare, 4 billion for the operations of Federal organs, 900 million for international obligations, and 600 million dinars for the current reserve. At the same time it also planned how these funds would be obtained: 11.4 billion from original revenues of the Federation (sales taxes and customs duties), the NBJ would provide 14 billion from primary issuances, and 1.4 billion from contributions by republics and provinces. However, the government's plans have remained only nice wishes which have not even reached the Federal Parliament, while nothing can be said about the republics and provinces.

Everything Is Legal

Even if all the funds foreseen are obtained by some miracle, there would not be a dinar in the budget again

for financing its regular constitutional obligations toward the undeveloped republics and Kosovo (0.53 percent of the social product of the country) and for the intervention of the Federal State in the economy, for which more than one-third of the total funds in the budget were earmarked last year. Under these conditions, where the republics and provinces have been retaining sales taxes and customs duties that belong to the Federal Government for almost a year and a half, there aren't sufficient funds even for financing the JNA, which is the largest and (probably) the most important recipient of budget funds. We say most important, because there is already considerable talk about reducing the Federal administration by a whole 90 percent. The economy and the undeveloped republics have not been receiving funds from the Federal Treasury for a long time already, while no one is talking at all for now, at least publicly, about restructuring or reducing the costs of the JNA.

On the contrary, the FEC has passed a resolution under which the NBJ is obligated to provide a whole 22 billion dinars from primary emissions for the needs of the Army in the first nine months of this year. For this sum, the central bank immediately "registered" the Federation, or the Federal budget as the debtor. The Federation budget has not succeeded this year in settling its debts to the National Bank, and the more time that passes, it will probably be in increasingly less of a position to do so. If Yugoslavia completely falls apart, who will pay funds into the Federal Treasury?

Since all resolutions about the Federation budget are passed by the Assembly of Yugoslavia, i.e., both its councils, we asked Vlada Janovic, secretary of the Legislative-Legal Commission of the Council of the Republics and Provinces of the Federal Parliament, whether the FEC's decision to print 22 billion dinars for the JNA was legal, and received this answer: Yes, everything is legal and according to the Constitution of the SFRY. The Federal Government has every right to pass such a resolution and to obligate the National Bank to loan funds to the Federation from primary issuances for the needs of the budget.

NTIS
ATTN: PROCESS 103
5285 PORT ROYAL RD
SPRINGFIELD, VA

2

22161

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTS may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.